

Hello, iPhone 5 / Joaquin Phoenix / MONEY SPECIAL Rental Nation

TIME

THE
AGENTS
OF

OUTRAGE

An embassy attacked.
Diplomats murdered.
The new calculus of violence
against America

BY BOBBY GHOSH



Experience service on a whole new scale

Korean Air provides quality service that surpasses even your highest expectations. Indulge yourself in the Korean Air experience for life on a whole new scale.

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Photograph by Amr Abdallah Dalsh—Reuters



Protesters inflamed by an anti-Islamic film gather outside the U.S. embassy in Cairo on Sept. 11. Photograph by Mohammed Abu Zaid—AP

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IMPORTANT SAFETY INFORMATION

WHAT IS THE MOST IMPORTANT INFORMATION I SHOULD KNOW ABOUT XARELTO® (RIVAROXABAN)?

People with atrial fibrillation (an irregular heartbeat) are at an increased risk of forming a blood clot in the heart, which can travel to the brain, causing a stroke, or to other parts of the body. XARELTO® lowers your chance of having a stroke by helping to prevent clots from forming. If you stop taking XARELTO®, you may have an increased risk of forming a clot in your blood.

- **Do not stop taking XARELTO® without talking to the doctor who prescribes it for you. Stopping XARELTO® increases your risk of having a stroke.**

If you have to stop taking XARELTO®, your doctor may prescribe another blood thinner medicine to prevent a blood clot from forming.

- Take XARELTO® 1 time a day **with your evening meal** exactly as prescribed by your doctor.

XARELTO® can cause bleeding, which can be serious, and rarely may lead to death. This is because XARELTO® is a blood thinner medicine that reduces blood clotting. While you take XARELTO® you are likely to bruise more easily and it may take longer for bleeding to stop.

You may have a higher risk of bleeding if you take XARELTO® and take other medicines that increase your risk of bleeding, including:

- Aspirin or aspirin-containing products
- Non-steroidal anti-inflammatory drugs (NSAIDs)
- Warfarin sodium (Coumadin®, Jantoven®)
- Any medicine that contains heparin
- Clopidogrel (Plavix®)
- Prasugrel (Effient®)
- Ticagrelor (Brilinta™)

Tell your doctor if you take any of these medicines. Ask your doctor or pharmacist if you are not sure if your medicine is one listed above.

Call your doctor or get medical help right away if you develop any of these signs or symptoms of bleeding:

- Tingling, numbness (especially in your legs), or muscle weakness. This is particularly important if you had a procedure where a needle was inserted into the spinal column for any reason
- Any unexpected bleeding, or bleeding that lasts a long time such as
 - Nosebleeds that happen often
 - Unusual bleeding from gums
 - Menstrual bleeding that is heavier than normal, or vaginal bleeding
- Bleeding that is severe or that you cannot control
- Red, pink, or brown urine
- Bright red or black stools (look like tar)
- Cough up blood or blood clots
- Vomit blood or your vomit looks like "coffee grounds"
- Headaches, feeling dizzy or weak
- Pain, swelling, or new drainage at wound sites

WHO SHOULD NOT TAKE XARELTO®?

Do not take XARELTO® if you

- Currently have abnormal or unusual bleeding
- Are allergic to rivaroxaban or any of the ingredients of XARELTO®

WHAT SHOULD I TELL MY DOCTOR BEFORE OR WHILE TAKING XARELTO®?

Before taking XARELTO®, tell your doctor if you

- Have ever had bleeding problems
- Have liver or kidney problems
- Have any other medical condition
- Are pregnant or planning to become pregnant
- Are breastfeeding or plan to breastfeed

Tell all of your doctors and dentists that you are taking XARELTO®. They should talk to the doctor who prescribed XARELTO® for you before you have any surgery, medical or dental procedure.

Tell your doctor about all the medicines you take, including prescription and nonprescription medicines, vitamins, and herbal supplements. Some of your other medicines may affect the way XARELTO® works. Certain medicines may increase your risk of bleeding. Especially tell your doctor if you take

- Ketoconazole (Nizoral®)
- Itraconazole (Onmel™, Sporanox®)
- Ritonavir (Norvir®)
- Lopinavir/ritonavir (Kaletra®)
- Indinavir (Crixivan®)
- Carbamazepine (Carbatrol®, Equetro®, Tegretol®, Tegretol®-XR, Teril™, Epitol®)
- Phenytoin (Dilantin-125®, Dilantin®)
- Phenobarbital (Solfoton™)
- Rifampin (Rifater®, Rifamate®, Rimactane®, Rifadin®)
- St. John's wort (*Hypericum perforatum*)

Ask your doctor if you are not sure if your medicine is one listed above. Know the medicines you take. Keep a list of them to show your doctor and pharmacist when you get a new medicine.

HOW SHOULD I TAKE XARELTO®?

Take XARELTO® exactly as prescribed by your doctor. **Do not change your dose or stop taking XARELTO® unless your doctor tells you to.**

For people who have:

- **Atrial fibrillation:** Take XARELTO® 1 time a day **with your evening meal. Stopping XARELTO® may increase your risk of having a stroke or forming blood clots in other parts of your body.**
- Your doctor may stop XARELTO® for a short time before any surgery, medical or dental procedure. Your doctor will tell you when to start taking XARELTO® again after your surgery or procedure.
- Do not run out of XARELTO®. Refill your prescription for XARELTO® before you run out.
- If you miss a dose of XARELTO®, take it as soon as you remember on the same day.
- If you take too much XARELTO®, go to the nearest hospital emergency room or call your doctor right away.

WHAT ARE THE POSSIBLE SIDE EFFECTS OF XARELTO®?

XARELTO® can cause bleeding, which can be serious, and rarely may lead to death. **Please see "What is the most important information I should know about XARELTO®?"**

Tell your doctor if you have any side effect that bothers you or that does not go away.

Discuss any side effects with your doctor. You are also encouraged to report side effects to the FDA: visit <http://www.fda.gov/medwatch> or call 1-800-FDA-1088. You may also report side effects to Janssen Pharmaceuticals, Inc. at 1-800-JANSSEN (1-800-526-7736).

Please see accompanying Product Information including Boxed Warnings on the following pages.

Trademarks are those of their respective owners.

If you have atrial fibrillation (AFib)

Ready to break your AFib routine?

XARELTO® is the first and only once-a-day prescription blood thinner for patients with AFib not caused by a heart valve problem, that is proven to reduce the risk of stroke—without routine blood monitoring.

Ask your doctor about XARELTO®.

XARELTO® is proven effective to reduce the risk of stroke in people who have an irregular heartbeat called atrial fibrillation, or AFib. With XARELTO®, there's no routine blood monitoring—so you have more time for yourself. There are no dietary restrictions, so you're free to enjoy the healthy foods you love. And there are no dosage adjustments, which means you can manage your risk with just one pill a day, taken with your evening meal. Learn how XARELTO® can help simplify your AFib-related stroke-risk treatment. Talk to your doctor or call 1-888-XARELTO (1-888-927-3586) today.

Like warfarin, XARELTO® is a prescription medicine used to reduce the risk of stroke and blood clots in people with atrial fibrillation, not caused by a heart valve problem. There is limited data on how these drugs compare when warfarin is well managed.

Please see accompanying Product Information including Boxed Warnings on the following pages.

Learn more about XARELTO®

Ask your doctor

Visit **XARELTO-US.com**

ONCE-A-DAY
Xarelto®
rivaroxaban tablets

MEDICATION GUIDE FOR



XARELTO® (zah-REL-toe)
(rivaroxaban) Tablets

Read this Medication Guide before you start taking XARELTO and each time you get a refill. There may be new information. This Medication Guide does not take the place of talking with your doctor about your medical condition or your treatment.

What is the most important information I should know about XARELTO?

• For people taking XARELTO for atrial fibrillation:

People with atrial fibrillation (an irregular heart beat) are at an increased risk of forming a blood clot in the heart, which can travel to the brain, causing a stroke, or to other parts of the body. XARELTO lowers your chance of having a stroke by helping to prevent clots from forming. If you stop taking XARELTO, you may have increased risk of forming a clot in your blood.

Do not stop taking XARELTO without talking to the doctor who prescribes it for you. Stopping XARELTO increases your risk of having a stroke.

If you have to stop taking XARELTO, your doctor may prescribe another blood thinner medicine to prevent a blood clot from forming.

- XARELTO can cause bleeding, which can be serious, and rarely may lead to death. This is because XARELTO is a blood thinner medicine that reduces blood clotting. While you take XARELTO you are likely to bruise more easily and it may take longer for bleeding to stop.

You may have a higher risk of bleeding if you take XARELTO and take other medicines that increase your risk of bleeding, including:

- aspirin or aspirin containing products
- non-steroidal anti-inflammatory drugs (NSAIDs)
- warfarin sodium (Coumadin®, Jantoven®)
- any medicine that contains heparin
- clopidogrel (Plavix®)
- prasugrel (Effient®)
- ticagrelor (Brilinta®)

Tell your doctor if you take any of these medicines. Ask your doctor or pharmacist if you are not sure if your medicine is one listed above.

Call your doctor or get medical help right away if you develop any of these signs or symptoms of bleeding:

- unexpected bleeding or bleeding that lasts a long time, such as:
 - nose bleeds that happen often
 - unusual bleeding from the gums
 - menstrual bleeding that is heavier than normal or vaginal bleeding
- bleeding that is severe or you cannot control
- red, pink or brown urine
- bright red or black stools (looks like tar)
- cough up blood or blood clots
- vomit blood or your vomit looks like "coffee grounds"
- headaches, feeling dizzy or weak
- pain, swelling, or new drainage at wound sites

See "What are the possible side effects of XARELTO?" for more information about side effects.

What is XARELTO?

• XARELTO is a prescription medicine used to:

- reduce the risk of stroke and blood clots in people who have a medical condition called atrial fibrillation. With atrial fibrillation, part of the heart does not beat the way it should. This can lead to the formation of blood clots, which can travel to the brain, causing a stroke, or to other parts of the body.
- reduce the risk of forming a blood clot in the legs and lungs of people who have just had hip or knee replacement surgery.

It is not known if XARELTO is safe and works in children.

Who should not take XARELTO?

Do not take XARELTO if you:

- currently have certain types of abnormal bleeding. Talk to your doctor before taking XARELTO if you currently have unusual bleeding.
- are allergic to rivaroxaban or any of the ingredients in XARELTO. See the end of this leaflet for a complete list of ingredients in XARELTO.

What should I tell my doctor before taking XARELTO?

Before you take XARELTO, tell your doctor if you:

- have ever had bleeding problems
- have liver or kidney problems
- have any other medical condition
- are pregnant or planning to become pregnant. It is not known if XARELTO will harm your unborn baby.
- are breastfeeding or plan to breastfeed. It is not known if XARELTO passes into your breast milk. You and your doctor should decide if you will take XARELTO or breastfeed.

Tell all of your doctors and dentists that you are taking XARELTO. They should talk to the doctor who prescribed XARELTO for you before you have any surgery, medical or dental procedure.

Tell your doctor about all the medicines you take, including prescription and nonprescription medicines, vitamins, and herbal supplements. Some of your other medicines may affect the way XARELTO works. Certain medicines may increase your risk of bleeding. See "What is the most important information I should know about XARELTO?"

Especially tell your doctor if you take:

- ketoconazole (Nizoral®)
- itraconazole (Onmel™, Sparanox®)
- ritonavir (Norvir®)
- lopinavir/ritonavir (Kaletra®)
- indinavir (Crixivan®)
- carbamazepine (Carbatrol®, Equetro®, Tegretol®, Tegretol®-XR, Teril™, Epitol®)
- phenytoin (Dilantin-125®, Dilantin®)
- phenobarbital (Solfoton™)

- rifampin (Rifater®, Rifamate®, Rimactane®, Rifadin®)
- St. John's wort (*Hypericum perforatum*)

Ask your doctor if you are not sure if your medicine is one listed above.

Know the medicines you take. Keep a list of them to show your doctor and pharmacist when you get a new medicine.

How should I take XARELTO?

- Take XARELTO exactly as prescribed by your doctor. Do not change your dose or stop taking XARELTO unless your doctor tells you to.
- For people who have:
 - **atrial fibrillation:** Take XARELTO 1 time a day with your evening meal. Stopping XARELTO may increase your risk of having a stroke or forming blood clots in other parts of your body.
 - **hip or knee replacement surgery:** Take XARELTO 1 time a day with or without food.
- **Your doctor will decide how long you should take XARELTO. Do not stop taking XARELTO without talking with your doctor first.**
- Your doctor may stop XARELTO for a short time before any surgery, medical or dental procedure. Your doctor will tell you when to start taking XARELTO again after your surgery or procedure.
- Do not run out of XARELTO. Refill your prescription of XARELTO before you run out. When leaving the hospital following a hip or knee replacement, be sure that you will have XARELTO available to avoid missing any doses.
- If you miss a dose of XARELTO, take it as soon as you remember on the same day.
- If you take too much XARELTO, go to the nearest hospital emergency room or call your doctor right away.

What are the possible side effects of XARELTO?

- See "What is the most important information I should know about XARELTO?"

Tell your doctor if you have any side effect that bothers you or that does not go away.

Call your doctor for medical advice about side effects. You may report side effects to FDA at 1-800-FDA-1088.

How should I store XARELTO?

- Store XARELTO at room temperature between 59° to 86°F (15° to 30° C).

Keep XARELTO and all medicines out of the reach of children.

General information about XARELTO.

Medicines are sometimes prescribed for purposes other than those listed in a Medication Guide. Do not use XARELTO for a condition for which it was not prescribed. Do not give XARELTO to other people, even if they have the same condition. It may harm them.

This Medication Guide summarizes the most important information about XARELTO. If you would like more information, talk with your doctor. You can ask your pharmacist or doctor for information about XARELTO that is written for health professionals.

For more information call 1-800-526-7736 or go to www.XARELTO-US.com.

What are the ingredients in XARELTO?

Active ingredient: rivaroxaban

Inactive ingredients: croscarmellose sodium, hypromellose, lactose monohydrate, magnesium stearate, microcrystalline cellulose, and sodium lauryl sulfate.

The proprietary film coating mixture for XARELTO 10 mg tablets is Opadry® Pink, contains: ferric oxide red, hypromellose, polyethylene glycol 3350, and titanium dioxide.

The proprietary film coating mixture for XARELTO 15 mg tablets is Opadry® Red, contains: ferric oxide red, hypromellose, polyethylene glycol 3350, and titanium dioxide.

The proprietary film coating mixture for XARELTO 20 mg tablets is Opadry® II Dark Red, contains: ferric oxide red, polyethylene glycol 3350, polyvinyl alcohol (partially hydrolyzed), talc, and titanium dioxide.

Revised: December 2011

This Medication Guide has been approved by the U.S. Food and Drug Administration.

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Gurabo, PR 00778

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Titusville, NJ 08560

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MAIL



Our Subsidized Lives

Many thanks to Michael Grunwald for exposing the reality most of us ignore ["One Nation Subsidized," Sept. 17]. I am happy and proud to pay my taxes for the comfort of knowing I have electricity when I flip the switch, a library available many hours a week and roads cleared after a snowfall.

Emily Navetta, GROTON, GA.

Your cover story combined maximum need-to-know value with all necessary pertinent data at a time when Americans have to better understand the role of government in everyone's lives and in the job market—including the use of tax deductions to provide services without formally raising taxes. Well done!

Ralph Manns, ROCKWALL, TEXAS

Grunwald refers to the U.S. Postal Service as "subsidized delivery" and complains that it is hemorrhaging money. The USPS is the only government service that receives no taxpayer funds to operate, and it was completely profitable until 2007. Most of its current losses are due to a 2006 mandate rammed through a lame-duck Republican Congress by voice vote. That absurd mandate, signed into law by George W. Bush, is forcing the USPS to prefund its health care costs decades into the future within a 10-year window, a burden no government agency or private company should have to bear.

Douglas B. Smith, QUINCY, ILL.

Iron Gridlock

At the risk of adding to Joe Klein's depression over the government's partisan paralysis, I do not believe appeasement of the Tea Party will work ["Paralysis Rules," Sept. 17]. While a President Romney might have more flexibility to negotiate with a Republican-controlled Congress, I doubt we would as a nation benefit from the devil's bargain that would no doubt result. If President Obama is re-elected but fails to win control of either the House or the Senate, the brutal imposition of the poison-pill budget measures might just be the harsh medicine the voters and their (soon to be



THE CONVERSATION

"[The] cover story raises the big truth of the day, that everyone is getting subsidies,"

the *New York Post* said of "One Nation Subsidized." In this Sept. 17 article, senior national correspondent **Michael Grunwald** examines how his entire family life—from home office to breakfast cereal to babysitter—enjoys government support. "You made it rather personal," reporter **Sarah Gardner** commented on *Marketplace*. *Forbes* contributor **James Poulos** says the story will prompt some soul-searching: "The minute the Michael Grunwalds of the world start to really get present to... how comprehensively they belong to government, the central contention behind today's Republican orthodoxy will be put to the acid test." Some took exception to Social Security and Medicare's being lumped in with other subsidies. "They are not doles!" wrote one reader in an e-mail. "Color me exasperated."



Up Next

TIME's 50 Best Websites gathers the most inventive, invigorating and indispensable destinations on the Web. Managed by editor-at-large Harry McCracken, this year's list spotlights top sites on personal finance, shopping, family travel, health and more. You can find it at time.com/websites starting Sept. 18.



Panoramic sunroof.

And a ton of other features you didn't know you needed.

The Volkswagen Touareg comes with an available panoramic sunroof. And an available 8" navigation screen with 3D landmarks. And a remote rear liftgate. And 4MOTION® all-wheel drive. And Bluetooth® with audio streaming. In fact, the Touareg comes with more Volkswagen than any Volkswagen we've ever built. It's the best of everything we've perfected. **That's the Power of German Engineering.**



Das Auto.



Volkswagen
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ex-) representatives need to face reality and start true bipartisan governance.

Harry Dohy, AURORA, COLO.

Conservative Bookshelf

In "Read and Right," David Von Drehle can't seem to separate truth from falsehood [Sept. 17]. First, I have not written the Walter Scott column in *Parade* magazine for several years. Second, my book is not, as Von Drehle alleges, a "mixture of previously reported stories and unverifiable anecdotes" but is based on nearly 200 interviews, many on the record, including a first-ever interview with the Rev. Jeremiah Wright.

Ed Klein, NEW YORK CITY

I am deeply disappointed in your editorial decision to give such books legitimacy. They are destructive and inflammatory at a time when we need rational thought to solve our many problems.

Margaret Stroetz, DAYTON, OHIO

Truth and Compromises

The most accurate statement in Rich Lowry's "A Bright, Shining Lie" is the title [Sept. 10]. He criticizes the President for a "[campaign] demolition machine with no regard for the truth"; the campaign seems focused primarily on correcting the opposition's distortions. As for the President's polarizing the electorate, that's a product primarily of the Tea Party—led Republicans who are deeply troubled by a President they claim was not born in this country. Lowry says the President won't compromise, yet with Obamacare, the President adapted the work of the Republicans and their Heritage Foundation, assuming they would support their own plan.

Stan Baron, PORTLAND, MAINE

Easy on the Armadillo

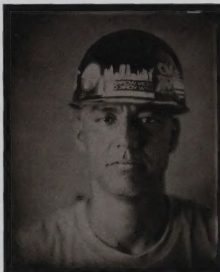
Re "Taste Invaders" and the idea that armadillos be used for human food [Sept. 17]: Research in the *New England Journal of Medicine* suggests that armadillos carry a strain of leprosy that can be transmitted to humans. Up to one-third of the new cases each year result from contact with armadillos. This risk should be considered before they are added to the menu.

Bill Britton, NORTH PORT, FLA.

TIME.COM

Forging a New Skyline

Generations of ironworkers descended from Mohawk Indians helped build the World Trade Center and are now helping build the Freedom Tower. A series on TIME **LightBox** features portraits of these workers created by photographer Melissa Cacciola, using tintype, a 19th century technique that, as one reader tweeted, lets her images "timelessly link to history."



The Real Romney?

In a post on TIME **Ideas**, Jon Meacham looks for "The Truth About Mitt," arguing that Mitt Romney's pivoting between two personas—Tea Party—worthy ideologue and compromise-friendly pragmatist—may be a source of confusion to the candidate. Readers weighed in:

'The new Slim Shady? Well ... Will the real Mitt Romney please stand up?'

@SARELHOGUE

'I want Obama out of the White House! If Romney doesn't get us moving in the right direction we will run another candidate in 2016!'

CAPELADY

'Why is it always class warfare with the Democrats?'

PENOBSCOT11

'We should have an extra debate where Romney soundbites debate themselves.'

MANTISDRAGON91

'Anyone claiming to understand the "real" Romney is fibbing. His only core conviction is that he should be President.'

@LUKEBRINKER



WRITE TO US

Send an e-mail: letters@time.com. Please do not send attachments

Send a letter: **TIME Magazine Letters**, Time & Life Building, New York, NY 10020. Letters should include the writer's full name, address and home telephone and may be edited for purposes of clarity and space

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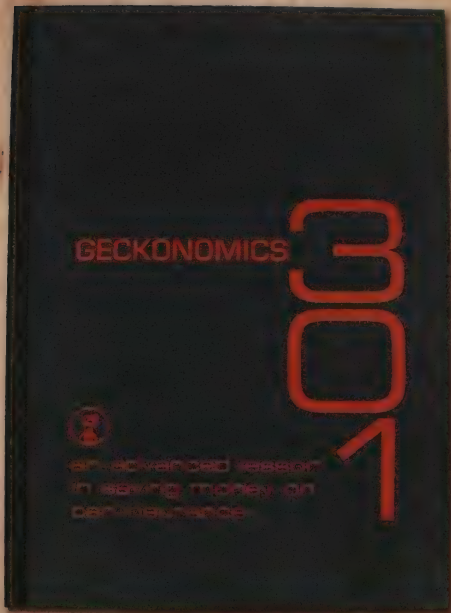


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Briefing

'He risked his life to stop a tyrant, then gave his life trying to help build a better Libya. The world needs more Chris Stevens.'

1. **HILLARY CLINTON**, mourning the U.S. ambassador to Libya, who was killed in an attack on the U.S. consulate in Benghazi

'Those in the international community who refuse to put red lines before Iran don't have a moral right to place a red light before Israel.'

2. **BENJAMIN NETANYAHU**, Israeli Prime Minister, arguing that because the U.S. won't set criteria for attacking Iran's nuclear program, it has no right to stop Israel from striking

'Don't take it out on the kids of the city of Chicago if you have a problem with me.'

3. **RAHM EMANUEL**, Chicago mayor, addressing the 29,000-plus teachers who went on strike on Sept. 10

'Somalia will now turn a new page, and that page will be written with good history rather than bad history.'

4. **HASSAN SHEIK MOHAMUD**, political activist and academic, after Somalia's parliament elected him President

'I really was preparing my runner-up speech because I thought, Man, she's playing so great.'

5. **SERENA WILLIAMS**, who overcame near defeat by Belarus' Victoria Azarenka to win her fourth U.S. Open tennis title



400

Trees in L.A. that will be removed on the space shuttle Endeavor's route to the California Science Museum to fit the craft



\$104 MILLION

Award given by the IRS to Bradley Birkenfeld, who blew the whistle on a massive tax-evasion scheme at UBS bank

\$750 BILLION

Amount wasted each year in the U.S. health care system, mainly on unneeded care, complicated paperwork and fraud, according to the Institute of Medicine



1,255

Number of natural red heads in a gathering—a Guinness record—in the Dutch town of Breda

Briefing

LightBox



New horizons

Eleven years after the 9/11 attacks, One World Trade Center rises above the Lower Manhattan skyline. The 114-story tower will be the world's second-tallest building upon its completion in 2014

Photograph by Gary Hartman—Reuters

photos.state.gov





Catalonia's Call for Secession

It wasn't always thus. Unlike the Basques, whose support for independence from Spain has run high for generations, most Catalans have traditionally favored greater autonomy over outright secession. The recent surge in secessionist support is closely tied to Spain's economic crisis. Although Catalonia is the wealthiest region in Spain, it is also the most heavily in debt, running a fiscal deficit of 8%. In 2009, the latest year for which figures are available, Catalonia provided 10.49% of the federal government's tax revenue yet received only 14.03% of its spending. It is that discrepancy, says

On Sept. 11, it seemed as if everything was fine. As hundreds of thousands of people wrapped themselves in independence flags and danced their way down the Via Laietana and the Gran Via, the mood was markedly festive. But a darker reality lay just beneath the surface. "The frustration is enormous," says Montserrat Guibernau, a Catalan academic. "Secession was always unthinkable in Catalonia. But it's precisely at moments like this that the unthinkable can occur."

RUSSIA

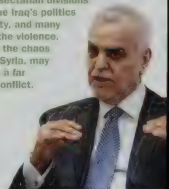
'Only the weak ones ... didn't follow me.'

VLADIMIR PUTIN, who strapped himself into a motorized bungee to guide a flock of endangered Siberian cranes to their winter habitat, the President's leadership, however, was widely interpreted as a digital detraction.



Iraq's Most Wanted: A Former VP

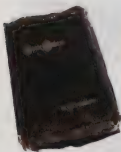
2 | IRAQ A court in Iraq issued a death sentence for exiled Vice President Tariq al-Hashemi for allegedly murdering a security official and a lawyer. The Vice President, a Sunni Muslim who has lived in exile since December and is currently in Turkey, denies the charges. Hashemi says they are politically motivated, part of a plot by Iraq's Shiite Prime Minister, Nouri al-Maliki, to sideline him. *Hours after the court ruling*, suspected Sunni insurgents carried out a wave of bombings across Iraq, killing at least 100 people. The verdict plays into festering sectarian divisions that plague Iraq's politics and society, and many fear that the violence, fanned by the chaos in nearby Syria, may spiral into a far deadlier conflict.





Shadow of War

3 | AFGHANISTAN An Afghan-army helicopter makes its way from Kabul to Bagram Air Base, site of a notorious prison facility likened to Guantánamo Bay that the U.S. transferred to Afghan control on Sept. 10. The action was hailed by Afghan authorities as a recognition of their increasing readiness to take over security operations in the country as the U.S. and NATO allies prepare to withdraw by the end of 2014.



U.K.

\$94,600

Auction sale price of a Bible that once belonged to Eliza Farnham, the oldest girl to be a Christian in 1857 and survived many mistreatments in the orphanage. Before the death 20 years later.

A Referendum on Europe

4 | THE NETHERLANDS When Dutch voters went to the polls Sept. 12, the legislative elections took place in the shadow of the European debt crisis. Traditionally in favor of the E.U., the Dutch have grown wary of the union, irked by a sagging economy and concerns over jobs and spending cuts. The country's hard left and far right campaigned on anti-European platforms opposed to bailouts abroad and austerity measures at home. Though results were not immediately clear, projections point to the likelihood of a coalition government formed by two centrist, Europe-friendly parties: the right-of-center VVD of Prime Minister Mark Rutte and the center-left Labor Party, led by Diederik Samsom.

Don't Insult the Bigwigs—Or Else

5 | INDIA Aseem Trivedi, a young Indian cartoonist, became a cause célèbre after authorities in Maharashtra jailed him for drawing a "seditious" image depicting the government as corrupt. Public outrage over his arrest led to his release a few days later. That case, however, is just the latest in a series of dubious overreactions by Indian politicians.

January 2012

The Indian embassy in Washington complains to the U.S. after Jas Leno asks that the Golden Temple of Amritsar, the holiest Sikh site, is MIT History's new summer tourist.



April 2012

A university professor was arrested for posting an anti-Buddhist cartoon online of Mamata Banerjee, chief minister of West Bengal.



May 2012

Parliament, disrupted after a technical glitch, postponed to its new afternoon to new capabilities, equipment, and technical technology.

September 2012

"Government" authorities demand an apology from the Westinghouse for running a critical ad about Prime Minister Manmohan Singh.



Nation

Between the Lines

By Mark Halperin

► **President Barack Obama's** lead has widened slightly after the conventions in Tampa and Charlotte, rattling Republicans... ► Beyond the poll numbers, the causes of near panic are many... ► **Mitt Romney's** team failed to produce a tight, winning convention (symbolized by the Clint Eastwood spectacle and the absence of any star speaker who wowed like **Bill Clinton**)... ► Romney's glaring

omission of the U.S. troops serving abroad in his Tampa acceptance speech added to GOP worries about Obama's national-security edge with voters... ► A series of small errors and confusing statements from Veep hopeful **Paul Ryan** has heightened concerns about his readiness for his upcoming debate with **Joe Biden**... ► Republicans recognize they may have to carve a path back to the White House without the electoral votes of Ohio, Michigan or Pennsylvania—the political equivalent of drawing an inside straight...

► Conservatives like **Rush Limbaugh**, **Laura Ingraham** and a bevy of Fox Newsies ringing the alarm have suggested that the doubts they expressed last year about Romney's ability to defeat Obama are coming true... ► Boston is bristling at the avalanche of suggestions from the peanut gallery about tactics, strategy and performance...

► Romney's aides acknowledge they are going through a tough stretch but believe their renewed television ad campaign, the upcoming debates and a still tepid economy will soon restore the race to a virtual tie... ► Meanwhile, senior Democrats say the President is overdue for a bad news cycle or two himself, and if Romney can take advantage of it, the challenger will be right back in the game and these early September GOP worries will transform from a decisive moment into one more ephemeral wrinkle.

WORD OF THE WEEK

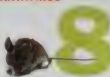
whip-flop

n. A flip-flop so quick, it gives you whiplash

See: How—after Mitt Romney said on Meet the Press that there were parts of Obamacare he liked, including coverage for pre-existing conditions, a Romney aide explained that he was not advocating a federal insurance mandate. Bay Area Council's senior public-affairs director, Michael Weinberg, coined the phrase on Twitter.



HANTAVIRUS



Visitors who have contracted the deadly, rodent-borne virus at Yosemite National Park this year as of Sept. 6. Three have died. Park officials have closed some campsites.

For Bachmann, Trouble at Home

MINNESOTA She's fresh off a presidential run and the reigning queen of Congress's Tea Party caucus, but Representative Michele Bachmann is no lock for re-election. The well-funded firebrand is nearly tied with novice Democratic challenger Jim Graves in Minnesota's newly redrawn 6th District: a recent Democratic poll found Graves winning independents by 15 points. Upshot: for the first time in three terms, Bachmann's seat isn't safe.

BACHMANN
48%



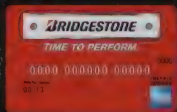
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GRAVES



SALTON STENCH Southern California stinks—and air quality investigators have traced the rotten-egg odor to dead fish in the 376-sq.-mi. Salton Sea

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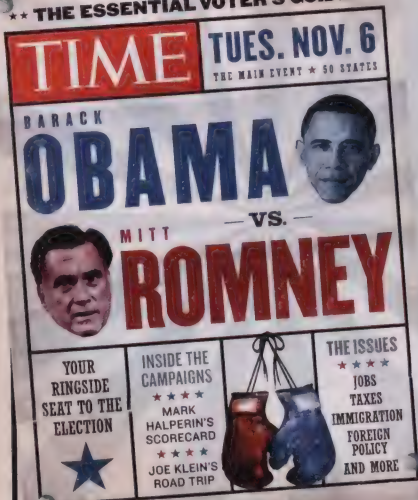
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Tech

Paring Apple's Lead

The iPhone 5 rocks, but rivals are improving

By Harry McCracken

WHEN APPLE'S IPHONE REDEFINED THE HANDSET category forever in 2007, other makers responded in a way that seemed logical at the time: they tried to build models that were an awful lot like the iPhone. That didn't work out so well. Many of those iPhones were mediocre but still similar enough for Apple to file patent lawsuits, including the one that left Samsung owing Apple \$1.05 billion.

Flash forward to 2012. The iPhone 5 (from \$199 for the 16GB to \$399 for the 64GB), which hits the Apple Store and other retailers on Sept. 21, is a product evolution, not revolution. Apple finally expanded the screen a skosh and added high-speed LTE data, a feature it had resisted until it could ensure decent battery life—up to 8 hours of Internet use.

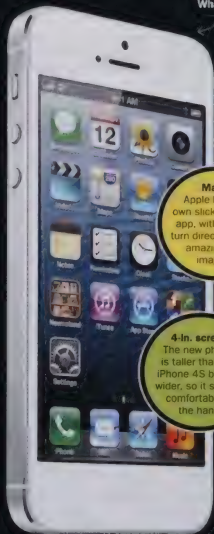
The iPhone remains peerless, but the competition is rapidly improving. Upcoming models like Nokia's Lumia 820 and 920 aren't aping Apple quite so shamelessly. Instead, other companies are venturing where Apple hasn't gone and might never go.

The poster child for this contrarian approach: Samsung's Galaxy Note II, due later this year. Its screen is so expansive that the device is just barely pocketable, and it comes with a pen, a feature Steve Jobs famously said was evidence that a phone's designers "blew it."

No phone will topple the iconic iPhone with features alone. What Apple does best is meld hardware, software and services into one beautifully seamless experience. Others haven't come close, in part because they

outsource development of their operating-system software to Google or Microsoft rather than write their own. Still, the iPhone 5 will have something that its predecessors did not: a bevy of interesting rivals.

The iPhone 5:
What's New



**4G
LTE Broadband**
Already standard equipment everywhere else; finally available on the iPhone

Maps
Apple built its own slick mapping app, with turn-by-turn directions and amazing 3-D imagery

4-in. screen
The new phone is taller than the iPhone 4S but not wider, so it still fits comfortably in the hand

Passbook
It can store digital versions of boarding passes, loyalty cards and other items

Smarter camera
Better pictures in low light

Svelter
At 7.6 mm and 3.95 oz., it's the thinnest, lightest iPhone yet

The Best of The Rest

Extended Battery
Motorola Droid Razr Maxx
Motorola claims up to 32 hours on a charge for its Droid Maxx HD, thanks to a jumbo-size battery.

Wireless Charge
Nokia Lumia 820 and 920
Inductive technology lets you charge these phones without plugging in a power cable

Easy Transfers
Samsung Galaxy S III
This and other Samsung models use an NFC chip that lets you swap photos and other items with one tap

Personal Pen
Samsung Galaxy Note II
The Note II comes with a pen for note taking and sketching on its mammoth 5.5-in. screen

Unlimited Music
HTC One V
Prepay-wireless outfit Cricket's Mvve \$50 voice-and-data plan for HTC's One V and other models throws in music downloads

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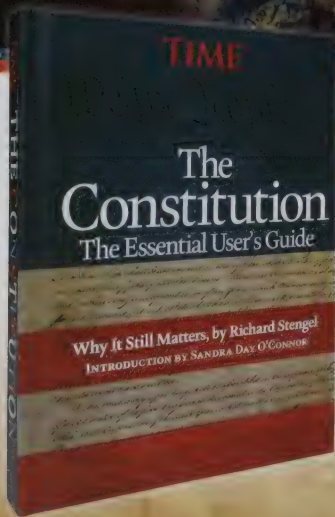
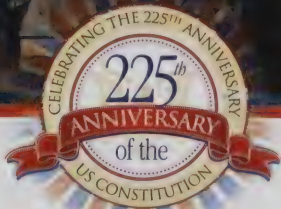


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Milestones



DIED Art Modell

After Art Modell, the former owner of the Cleveland Browns and Baltimore Ravens, bought the Browns in 1961, he became a hands-on boss. Back then, owners rarely chimed in on draft picks. Modell, who died of natural causes at 87 on Sept. 6, was different. He often clashed with coach Paul Brown, for whom the franchise was named, and fired him after two seasons. "You cannot just show up on Sunday with scotch in your hand and say, 'I'm an owner,'" Modell once told NFL Films. "You've got to work the business."

Thanks in part to Modell's moxie, football is the most popular—and profitable—sport in the U.S. He negotiated the NFL's first national TV contract and pushed the idea of a Monday-night game. He championed revenue sharing, which let teams from smaller markets stay competitive. He was a pioneer.

And yet he died a pariah. When Modell moved the Browns to Baltimore after the 1995 season to play in a shinier stadium, Cleveland turned against him. He had stolen its team. More than 15 years later, the trauma is fresh: the Browns had planned to recognize Modell's passing at a game but then canceled at his family's request. They knew it would get ugly. —SEAN GREGORY



In 1982 his Grid Compass became the first clamshell laptop

DIED Bill Moggridge

By the end of the 1970s, at least two "portable" computers were on the market; the lightest was the size of a sewing machine and weighed 24 lb (11 kg). Then industrial designer Bill Moggridge devised the Grid Compass, which could fit in a briefcase because its clamshell design allowed the screen to fold down on the keyboard. Moggridge, who died Sept. 8 at 69, pioneered the theory of interaction design—how people relate to the digital world. His work reflected insights from psychologists, sociologists and anthropologists, and he encouraged his designers to work in large, diverse teams—a philosophy he last applied as director of the Smithsonian Cooper-Hewitt National Design Museum in New York City. "If there's a simple, easy principle that binds everything together," he said, "it's probably about starting with the people." —NATE RAWLINS



DIED Joe South

He was a seemingly plain man with a plain name and a plain clothes style, the antithesis of a rock star. But Joe South's unassuming presence was belied by a remarkable body of work in the 1960s and early '70s. In a few short years, the Georgia native, who died Sept. 5 at 72, wrote eight hits, including 1969's "Games People Play"; recorded a handful of critically acclaimed albums; and as a session guitarist in the Muscle Shoals scene played on records including Aretha Franklin's "Chain of Fools." South abruptly halted his career in 1971 after his brother committed suicide, and his invisibility in the ensuing years left him largely forgotten. His music, however, lives on. —JOSEPH MCCOMBS



DIED
Woody Crockett, 93, decorated Tuskegee Airman who flew 149 combat missions in World War II and 45 in Korea before retiring from the U.S. Air Force in 1970.

DIED
Dorothy McGuire, 84 (right, with sisters Christine and Phyllis); her pop trio, the McGuire Sisters, sang 1950s hits including "Sincerely" and "Sugartime."



WON
The U.S. Open, by Scotsman Andy Murray; the Olympic gold medalist is the first British man to win the U.S. title since Fred Perry in 1936.

DIED
Thomas Szasz, 92, psychiatrist and author of the 1961 book *The Myth of Mental Illness*, who questioned the legitimacy of psychiatric practices.

APPROVED
The first group of young undocumented immigrants to remain in the U.S. under the Obama Administration's Deferred Action for Childhood Arrivals program.

DIED
Joe Vaghi, 92, the first of the U.S. Navy beachmasters—a.k.a. the "traffic cops in hell"—to reach Omaha Beach in the Normandy invasion on D-Day in 1944.

An Awkward Strike

The Chicago schoolteachers' walkout is bad for everyone—and dangerous for Democrats

I KNOW A THING OR TWO ABOUT WHAT it's like when the well paid go on strike, because as a member of the Writers Guild of America—the Hollywood scriptwriters' union—I went on strike a few years back. I recall an awful lot of shouting and dramatics and walking around in a circle back then too. But there were doughnuts, which made the whole experience easier. If you have to picket, it's best to picket with a chocolate glazed.

What there wasn't—and isn't, in the case of the Chicago teachers' strike—was a lot of sympathy from the general public. The average salary of a Chicago public-school teacher is about \$75,000—well above the national average. Chicago Mayor Rahm Emanuel, the pugilistic former chief of staff to President Obama, offered the Chicago teachers a 16% raise on top of that, but he made the impolitic demands to lengthen the workday and—here's the trouble—tighten job-performance standards.

That was enough to send Chicago's teachers out into the streets and onto front pages all across the U.S.—a country, let's remember, where the unemployment rate stays rock steady at about 8% and employee evaluations are a quarterly event. It's not great optics, as the political fixers might put it, to be marching around, refusing to work, when millions of Americans are begging for a job. Not great optics, either, to dismiss a 16% raise and (slightly) stricter performance standards at the start of the school year.

It's especially tough on Obama—this is his hometown, after all—and the rest of the Democratic Party, which has stood with teachers' unions for decades. The National Education Association is the largest teachers' union in the U.S.—it's actually the largest labor union of any kind—and a major source of money and manpower for the Democrats.

It would be so much easier for every one if there were a Republican around, somewhere, to blame for this mess. Grab a cruller, pick up a sign—REPUBLICANS VS.



Walking the line The strike by the Chicago Teachers Union is its first in a quarter-century

EDUCATION! OR BOOKS NOT BOMBS!—and wait for the compliant media to report that, as usual, the right wing is trying to hurt your children.

Instead, awkwardness. A powerful ally of the Democratic Party battling a powerful Democratic mayor in the hometown of the incumbent Democratic President over work rules that any American worker with a job—which isn't an impressive number to begin with—would find utterly lenient isn't a great way to enter campaign season. Chicago, for Obama, is off-limits for the duration of the strike. On the day the strike erupted, the word from the White House was silence. This is ugly family business, it seemed to be saying, so let's keep it to ourselves.

But in a surprising display of fleet-footed political sophistication, support for Emanuel came from Republican vice-presidential candidate Paul Ryan. Real school reform is crucial, he said, and he cheered the mayor's resolve. Emanuel was compelled to issue a twisty pretzel of a statement that can be described only as not ungrateful for the Republicans' support. Hard to do, but

Emanuel was trained as a ballet dancer, and he knows how to get himself into complicated shapes.

Getting out of those shapes is another matter. The marching hordes of teachers don't seem to understand all that the Democratic Party has done for them—blocking school choice movements, saddling charter schools with regulatory hurdles, standing in the way of meaningful and enforceable teaching standards. But the Democratic pols seem equally ungrateful for all the money the unions have poured into their campaigns.

It was the same way a few years ago, when my union was on strike. Paralyzed by the battle between whining, entitled screenwriters and ruthless studio moguls, Hollywood shut down and stopped production. Both sides ended up losing. And when a winner emerged, it was ... YouTube, Facebook and Twitter.

This time, with luck, the movie will turn out the same way.

Long is a contributing editor at National Review and the editor of Ricochet.com

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The S&P Soars, the Economy Snores

Ben bankrolled stocks to boost demand.
But what if the wealth effect doesn't work?

THE MARKETS HOLD MANY MYSTERIES (insert image of Ben Bernanke, brow furrowed, gazing into a smoky crystal ball). Here's the biggest right now: Why the heck is the S&P 500, up by double digits this year, behaving as though we're living large when nearly every piece of real economic data is depressing? Europe is imploding. China is still growing but slowing. Manufacturing is down worldwide, as are exports. In the U.S., the workforce hasn't been this small relative to the population since 1981. Moody's is threatening (again) to downgrade our credit rating if Congress can't avoid the fiscal cliff next year.

But while it's absolutely true that economic fundamentals don't support bullish markets, it's also true that stocks aren't behaving irrationally. So, how to square the two facts?

First, there's the Occam's-razor explanation: U.S. stocks, as well as T-bills, are simply the nicest houses in the ugly neighborhood that is the global economy. "This year, for the first time since 2007, it's likely that U.S. growth is going to outperform global growth," notes Ruchir Sharma, head of emerging markets and global macroeconomics for Morgan Stanley Investment Management. Americans think the 2% economy is terrible; in Europe, it would be a gift. Investors may also be raising their bets on an Obama re-election—the S&P rises in line with prediction markets' views on his chances—and thus more stimulus. The bottom line is that the year-to-date performance of U.S. equities has surpassed everything from gold to oil to bonds to any kind of emerging-market stocks.

That's exactly what Bernanke wanted, and in fact, the Fed chairman helped create that outcome with asset purchases

(known as quantitative easing, or QE) and very low interest rates, pushing bond yields down to *multicentury* lows and pushing people into riskier assets like stocks. It's obviously worked. Part of the point of QE is that low rates drive up asset prices, and higher asset prices make people feel richer. This "wealth effect" prompts people to spend, so companies start investing and creating jobs to meet rising demand. Or so the theory goes.



But not everyone owns stocks, and the richest 10% of the population owns 75% of them, so to the extent anyone feels richer, it's those who already were. And you can't stage a true economic revival with only 10% of the country spending. There are many, like Sharma, who say that Bernanke has placed too much faith in a bullish market's ability to boost consumption and that the Fed has inadvertently exacerbated inequality by trying to stoke the economy. The rich get richer. Everyone else has to deal with energy and food inflation paycheck to paycheck.

There's also the problem of the \$2 trillion in corporate cash under the mattress.

Just as QE has not sparked a private spending boom, it has also not yet ignited a large-scale corporate one. Some who take the long view, like Warren Buffett, see cheap money as providing a uniquely good moment for capital investment. His Berkshire Hathaway companies are investing a record \$9 billion this year, 90% of it in the U.S., in areas such as railroads, construction and utilities. But most *Fortune* 500 firms, if they are investing, are often doing it abroad, where growth potential is higher. Others are hoarding cash and enjoying the resulting stock price premium without risking any of it to create jobs.

Either way, the further a company is from the magic money wands of Bernanke and his European counterpart, European Central Bank chairman Mario Draghi, "the greater the asset-valuation drivers tip away from central-bank policy and toward economic fundamentals," says Mohamed El-Erian, the CEO of Pimco, the world's largest bond trader. "This explains why Chinese equities, for example, have so underperformed their developed-market peers."

None of this means that Bernanke was wrong to try and avoid trouble with a dose of QE. Things could have been much worse, as indeed they are in Europe, where austerity programs have delivered recession. But in game-theory terms, he got it wrong. Bernanke believed he was playing a cooperative game: if he did his part, politicians would do theirs, and no, I'm not talking tax cuts but tax simplification and investment in the stuff that creates a more attractive business climate, like education and infrastructure. Instead, Americans have had to deal with the most dysfunctional political environment in decades. And since most economists agree that the QE effect on markets is now largely tapped out, the outlook for investors is clear. Either we start seeing real economic good news or there will be no mystery about which way stocks are headed. ■

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VIAGRA
(sildenafil citrate) tablets

(vi-AG-rah)

IMPORTANT SAFETY INFORMATION ABOUT VIAGRA

Never take VIAGRA if you take any medicines with nitrates. This includes nitroglycerin. Your blood pressure could drop quickly. It could fall to an unsafe or life-threatening level.

ABOUT ERECTILE DYSFUNCTION (ED)

Erectile dysfunction means a man cannot get or keep an erection. Health problems, injury, or side effects of drugs may cause ED. The cause may not be known.

ABOUT VIAGRA

VIAGRA is used to treat ED in men. When you want to have sex, VIAGRA can help you get and keep an erection when you are sexually excited. You cannot get an erection just by taking the pill. Only your doctor can prescribe VIAGRA.

VIAGRA does not cure ED.

VIAGRA does not protect you or your partner from STDs (sexually transmitted diseases) or HIV. You will need to use a condom.

VIAGRA is not a hormone or an aphrodisiac.

WHO IS VIAGRA FOR?

Who should take VIAGRA?

Men who have ED and whose heart is healthy enough for sex.

Who should NOT take VIAGRA?

- If you ever take medicines with nitrates:
 - Medicines that treat chest pain (angina), such as nitroglycerin or isosorbide mononitrate or dinitrate
- If you use some street drugs, such as "poppers" (amyl nitrate or nitrite)
- If you are allergic to anything in the VIAGRA tablet

BEFORE YOU START VIAGRA

Tell your doctor if you have or ever had:

- Heart attack, abnormal heartbeats, or stroke
- Heart problems, such as heart failure, chest pain, or aortic valve narrowing
- Low or high blood pressure
- Severe vision loss
- An eye condition called retinitis pigmentosa
- Kidney or liver problems
- Blood problems, such as sickle cell anemia or leukemia
- A deformed penis, Peyronie's disease, or an erection that lasted more than 4 hours
- Stomach ulcers or any kind of bleeding problems

Tell your doctor about all your medicines. Include over-the-counter medicines, vitamins, and herbal products. Tell your doctor if you take or use:

- Medicines called alpha-blockers to treat high blood pressure or prostate problems. Your blood pressure could suddenly get too low. You could get dizzy or faint. Your doctor may start you on a lower dose of VIAGRA.
- Medicines called protease inhibitors for HIV. Your doctor may prescribe a 25 mg dose. Your doctor may limit VIAGRA to 25 mg in a 48-hour period.
- Other methods to cause erections. These include pills, injections, implants, or pumps.
- A medicine called REVATIO. VIAGRA should not be used with REVATIO as REVATIO contains sildenafil, the same medicine found in VIAGRA.

POSSIBLE SIDE EFFECTS OF VIAGRA

Side effects are mostly mild to moderate. They usually go away after a few hours. Some of these are more likely to happen with higher doses.

The most common side effects are:

- Headache
- Feeling flushed
- Upset stomach

Less common side effects are:

- Trouble telling blue and green apart or seeing a blue tinge on things
- Eyes being more sensitive to light
- Blurred vision

Rarely, a small number of men taking VIAGRA have reported these serious events:

- Having an erection that lasts more than 4 hours. If the erection is not treated right away, long-term loss of potency could occur.
- Sudden decrease or loss of sight in one or both eyes. We do not know if these events are caused by VIAGRA and medicines like it or caused by other factors. They may be caused by conditions like high blood pressure or diabetes. If you have sudden vision changes, stop using VIAGRA and all medicines like it. Call your doctor right away.
- Sudden decrease or loss of hearing. We do not know if these events are caused by VIAGRA and medicines like it or caused by other factors. If you have sudden hearing changes, stop using VIAGRA and all medicines like it. Call your doctor right away.
- Heart attack, stroke, irregular heartbeats, and death. We do not know whether these events are caused by VIAGRA or caused by other factors. Most of these happened in men who already had heart problems.

If you have any of these problems, stop VIAGRA. Call your doctor right away.

HOW TO TAKE VIAGRA

Do:

- Take VIAGRA only the way your doctor tells you. VIAGRA comes in 25 mg, 50 mg, and 100 mg tablets. Your doctor will tell you how much to take.
- If you are over 65 or have serious liver or kidney problems, your doctor may start you at the lowest dose (25 mg).
- Take VIAGRA about 1 hour before you want to have sex. VIAGRA starts to work in about 30 minutes when you are sexually excited. VIAGRA lasts up to 4 hours.

Don't:

- Do not take VIAGRA more than once a day.
- Do not take more VIAGRA than your doctor tells you.
- If you think you need more VIAGRA, talk with your doctor.
- Do not start or stop any other medicines before checking with your doctor.

NEED MORE INFORMATION?

- This is only a summary of important information. Ask your doctor or pharmacist for complete product information OR
- Go to www.viagra.com or call (888) 4-VIAGRA (484-2472).

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Joe Klein



TO READ JOE'S
BLOG POSTS, GO TO
time.com/swampland

The Mitt Mirage

The Republican nominee can no longer say for certain what he believes in

I FIRST MET MITT ROMNEY IN 2005. I was very impressed. I described him in this magazine as "informal, conversational, enthusiastic and speedy." Mitt Romney? Yes, indeed. But then, we were talking about something he really believed in, or seemed to: his universal health care plan for Massachusetts, which included an individual mandate—an idea I'd admired since it was proposed by Stuart Butler of the Heritage Foundation in 1989. Romney's plan wasn't the Full Butler, which would eliminate the deductibility of employer-donated health care benefits. But it was a huge step in the right direction, and Romney had mastered every detail of it. He seemed a near Clintonian policy wonk, a guy who certainly wouldn't have offered the disingenuous comments about health care that Romney did Sept. 9 on *Meet the Press*. In an attempt to side toward the center, Romney said he would embrace aspects of the Obama health care plan, like the mandate for insurance companies to cover all comers, including those with pre-existing conditions.

Let us leave aside for a moment the well-known fact that Obamacare is, at its core, Romneycare taken national—and Romneycare taken national was the fondest hope of the fellow I met in 2005. What annoyed me was that, for the umpteenth-hundredth time in this campaign, Romney was playing dumb on a subject he knew extremely well. His health care scheme and Obama's were dual-mandate plans. The insurance companies had to cover everyone, and the government had to require everyone to buy into the system. The insurers needed the larger pool of healthy policyholders to offset the cost of covering those who were already sick. And so I was prepared

to whap poor Romney upside the head for this phony concession.

But then Romney retracted it. Or an anonymous campaign aide did, saying Romney "was not proposing a federal mandate to require insurance plans to offer those particular features." And there, my fellow Americans, you have it: the Romney campaign in full flight yet again, embarrassed yet again. This is terribly sad. The guy I met in 2005 had potential.



But the guy who ran for President in 2008 ran away from the guy I met in 2005, and the guy who's running this time has been even worse. He has made a public fool of himself, and it's important to ask why.

Romney's health gaffe came at a moment of peril for his candidacy. His party's convention had failed to lift him and would be remembered eternally for Clint Eastwood's empty chair. The Democratic convention, by contrast, had been extremely successful, even if Obama's speech wasn't. Indeed, the Obama people seem to have a far more sophisticated sense of how to run a campaign than the

Romney people do. The Obama campaign remembered what Karl Rove had done to John Kerry in 2004 and performed an early advertising demolition job on Romney, defining him throughout the summer. Romney's campaign responded with an ad blitz in early September, "but there are diminishing returns for ads that run during the general-election campaign," a Republican strategist told me. "The public has been inundated."

The result was that assorted under-employed Republican talking heads and political consultants launched a schadenfreude feeding fiesta. The Romney campaign was inept, insubstantial, panicky, heading down the drain, they said, sounding almost as the Democrats did about

Kerry in 2004. It was premature, of course. Kerry won the first debate with George W. Bush that year and made the race close for a minute or two. Romney could do the same this year; he might even win. The Obama cool train could suffer from exogenous setbacks. The economy could tank. October is sometimes a volatile month for the stock market. Joe Biden could run off with that biker woman who sat on his lap.

But I suspect Romney won't do so well in the debates for the same reason that he didn't do so well on *Meet the Press*. It's hard to be effective when you're biting your tongue and swallowing your pride at the same

time. Romney has dumbed himself down to fit a Republican Party that has become anachronistic, hateful and foolish. He has never once stood up to the party's extremist base in this campaign—even when asked whether he would accept a deficit deal with \$10 in spending cuts for every \$1 in new revenues, not even on immigration and contraception, issues that sent women and Latinos scurrying toward the exits. His has been a shameful, shameless campaign. The public will occasionally turn out an incumbent President, but only when offered a real alternative. Mitt Romney has offered them only a mirage. ■

WORLD

Flash

A chain of violence from Cairo to Benghazi raises the question, Did the Arab Spring make the Middle East more dangerous? By Bobby Ghosh



Incensed crowd
Protesters in Cairo gather in front
of the U.S. embassy on Sept. 11

Photograph by
Amr Abdallah Dalok

Point



The violence looked spontaneous; it was anything but.

Instead it was the product of a sequence of provocations, some mysterious, some obvious. It seemed to start in the U.S., then became magnified in Egypt and was brought to a deadly and sorrowful climax in Libya—all on the 11th anniversary of 9/11. The cast of characters in this tragedy included a shadowy filmmaker, a sinister pastor in Florida, an Egyptian-American Islamophobe, an Egyptian TV host, politically powerful Islamist extremist groups and, just possibly, an al-Qaeda affiliate in Libya. The instigators and executors didn't work in concert; they probably didn't even know they were in cahoots. Indeed, some of them would sooner die than knowingly help the others' causes. Nonetheless, the death of Ambassador Chris Stevens and three other Americans at the U.S. consulate in Benghazi was the result of a collective effort, with grievous consequences.

As the Obama Administration

struggles to contain the fallout of the killings—and even to piece together exactly what happened—there's an increasing apprehension that this attack may herald a new genre of Middle East crisis. The Arab Spring replaced the harsh order of hated dictators with a flowering of neophyte democracies. But these governments—with weak mandates, ever shifting loyalties and poor security forces—have made the region a more chaotic and unstable place, a place more susceptible than ever to rogue provocateurs fomenting violent upheavals, usually in the name of faith.

Collectively, these hatemongers form a global industry of outrage, working feverishly to give and take offense, frequently over religion, and to ignite the combustible mix of ignorance and suspicion that exists almost as much in the U.S. as in the Arab world. Add to this combination the presence of op-

portunistic jihadist groups seeking to capitalize on any mayhem, and you can begin to connect the dots between a tawdry little film and the deaths of four American diplomats.

Start with the filmmaker behind *Innocence of Muslims*, a purported biopic of the Prophet Muhammad that, according to some accounts, sparked the demonstrations in Cairo and Benghazi. He goes by the name Sam Bacile, but almost nothing is known about him. Or even whether he exists. Some reports suggest the name is a pseudonym.

There have been other films about the Prophet, but since Islamic traditions forbid any depiction of Muhammad, Muslim filmmakers tend to focus instead on his contemporaneous followers and foes. In the 1977 film *The Message*, for instance, Muhammad remains always off camera and is never heard, but other historical figures (including his uncle Hamza, played by Anthony Quinn) address him.

The film made by Bacile makes no such concessions to Muslim sensibilities. Indeed, showing Muhammad is the film's only innovation. The accusations it makes about him are rehashed from old Islamophobic tropes; the script is clunky and the acting high-school-ish. The movie was apparently made last year, and although the filmmaker claimed to have spent \$5 million on it, the production values suggest a much more modest budget. (See sidebar.) Before going into hiding in the wake of the violence in Cairo and Benghazi, Bacile (or someone pretending to be him) defiantly told the



Rage inflamed A car burns inside the U.S. consulate compound in Benghazi after the attack by an armed mob on Sept. 11

Associated Press that he regards Islam as "a cancer, period."

The film was screened in Hollywood early this year but made no waves whatsoever. Bacile then posted a 14-min. series of clips on YouTube in July; that too got no traction. But it caught the attention of Morris Sadek, an Egyptian-American Copt in Washington, D.C., known for incendiary anti-Muslim statements and blog posts. In early September, Sadek stitched together clips of the film and posted them on an Arabic-language blog. He also sent a link to the post in a mass e-mail. In the meantime, the film had attracted a singularly unattractive fan: Terry Jones, pastor of a church in Gainesville, Fla., who is notorious for burning the Koran and performing other Islamophobic stunts. He promoted the film online and added fuel to the flames by posting his own YouTube video, calling for the "trial" of the Prophet, for fraud and other supposed crimes. Jones' video features an effigy wearing a demon mask and hanging from a noose.

Soon after that, the thread was picked up in Egypt by a TV host every bit as inflammatory and opportunistic as Jones: Sheik Khaled Abdallah of the Islamist satellite-TV station al-Nas. Supported by unknown backers, the channel traffics in demagoguery and hate mongering. Abdallah is its star. In previous broadcasts, he has called the revolutionaries of the Arab Spring "worthless kids" and condemned newspapers that don't support his views. But he reserves his harshest criticism for the country's Coptic Christians, who make up about a tenth of the population.

For Abdallah, the fact that a Copt was promoting an anti-Muhammad film endorsed by the Koran-burning pastor was too much. On his Sept. 8 show, he broadcast some of the clips, now dubbed in Arabic. In one scene that was aired, "Muhammad" declares a donkey the "first Muslim animal" and asks the creature if it likes the ladies. Abdallah's show, complete with the offensive video, was also posted on YouTube, and it has attracted over 300,000 views.

Abdallah's show was a dog whistle to the Salafists, a fundamentalist Islamic movement that makes up the second largest faction in the Egyptian Parliament. For months, organized Salafist groups had been protesting in small

A Familiar Fury. A short history of rage and retribution



1989

The Satanic Verses
Ayatollah Ruhollah Khomeini calls for author Salman Rushdie's death after his novel is deemed blasphemous



2004

Submission
Dutch filmmaker Theo van Gogh is killed in the wake of his film criticizing the treatment of Muslim women



2005

Guantanamo Bay
Allegations (later retracted) that the Koran was defiled in the detention camp trigger fatal riots in Afghanistan



2005

Danish cartoons
Images depicting Muhammad in the newspaper Jyllands-Posten spark violent protests in several countries



2006

Papal lecture
Pope Benedict XVI's inclusion of a controversial 14th century quote about Islam is condemned by politicians



2012

Koran incineration
The accidental burning of Korans at the U.S. Bagram Air Base in Afghanistan spurs violence. President Obama apologizes



2012 ▶

Innocence of Muslims
Clips of an English language film mocking Muhammad are posted on the Web

◀ 2010

"Ground Zero mosque"
A plan for an Islamic center in Manhattan is a rallying point for U.S. politicians during the election season

2010

Terry Jones
The Florida pastor's announcement of plans to burn the Koran on the 9/11 anniversary incites global protests



◀ 2012

Blasphemy plot
A Muslim cleric is accused of planting evidence to implicate a young Christian girl in Islamabad in burning the Koran

▶ 2012

Sheik Khaled Abdallah
The controversial Egyptian TV host reports on Innocence of Muslims on his program



2012

Cairo demonstration
Angry Egyptians scale the wall of the U.S. embassy and remove the flag in protest of Innocence of Muslims

numbers in front of the U.S. embassy in Cairo, calling for the release of Omar Abdel Rahman, the blind sheik currently in a North Carolina prison, convicted for plotting a series of bombings and assassinations in the 1990s. They were joined on Sept. 11 by prominent leaders like Nader Bakar of the Salafist Nour Party and Mohammed al-Zawahiri, brother of Ayman al-Zawahiri, Osama bin Laden's longtime deputy and now head of al-Qaeda.

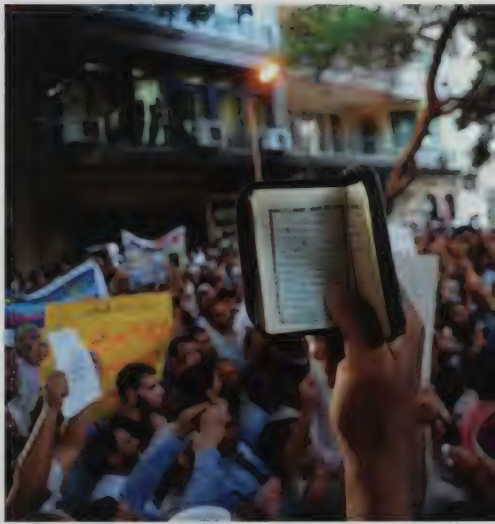
The leaders had left by the time the mob attacked the embassy and took down the U.S. flag, while Egyptian security forces, hopelessly outnumbered, mostly just watched. The crowd eventually dispersed. Afterward, some Salafist leaders said the flag was snatched by members of a soccer-hooligan group known as the Ahli Ultras.

Not far from Egypt's western border, in the Libyan city of Benghazi, on the anniversary of the 2001 attacks at the World Trade Center, the Muhammad movie had provoked another mob of several hundred mostly Salafist protesters to gather at the U.S. consulate. Many witnesses have since fingered a group known as Ansar al-Shari'a for organizing the protests; the group denies it.

Ambassador Stevens, visiting from Tripoli, was an unlikely target. He had worked closely with the leaders of the uprising against Muammar Gaddafi and was well liked by most Libyans. But some reports now suggest that lurking amid the mob was a more malevolent force: members of the local chapter of al-Qaeda.

Only the previous day, Ayman al-Zawahiri had issued a new videotaped statement from his hideout, confirming the death of his Libyan deputy Abu Yahya al-Libi in a June U.S. drone strike and calling for him to be avenged. Reports from Benghazi say armed jihadists infiltrated the protesting crowds. An al-Qaeda-affiliated group known as the Imprisoned Omar Abdul Rahman Brigades is suspected to have carried out the attack. The White House was still scrambling a day after the attack to piece together what happened and whether it could have been prevented. A senior Administration official said the Benghazi attack was "complex" and "well organized" but would not comment on reports that it was planned in advance by militants using the protest as a diversion.

The terrorists struck twice: one set of



grenades forced consulate staff to flee the main building while a second targeted the building to which they were evacuated. The attack did not appear spontaneous or amateurish. Stevens, foreign service officer Sean Smith and two others were killed. The ambassador was declared dead from smoke inhalation.

IF MUSLIMS RESPONDED VIOLENTLY TO every online insult to their faith, there would be riots in Cairo and Benghazi every day of the year. The Internet is full of malefactors who constantly say, write or broadcast appalling things about Islam. (And there are plenty of Muslim Web nuts who vilify other belief systems.) It is the outrage machine, manned by people like Bacile, Jones and Abdallah, who push mat-

ters into anger overdrive. They know the outcome of their efforts will be violence and subversion. These men are enabled by media—mainstream and fringe alike—that give them air to bloat and a political culture that makes little effort to take away their oxygen.

Before the Arab Spring, this chain of events would likely have been stopped early. Dictators like Egypt's Hosni Mubarak and Libya's Gaddafi either blocked Internet access to prevent their people from seeing inflammatory material (among other things) or used their security agencies to crack down on protests long before they could reach critical mass.

But democratically elected governments don't have recourse to such



Faith and fury An Egyptian holds up the Koran at a protest against a biopic of the Prophet Muhammad in front of the U.S. embassy in Cairo

draconian methods. Still unused to power, they are unsure how to deal with angry demonstrations, especially when they are mounted by powerful religious or political groups. The tendency has been to look the other way and hope the demonstrators run out of steam.

It doesn't always work. The Salafists in Libya were emboldened by the failure of the government in Tripoli to crack down on them when they recently desecrated Sufi shrines. The Minister of the Interior (he has since resigned) said he didn't want to risk the lives of his security forces in order to apprehend the culprits. "The Libyan authorities have been irresponsibly lazy in confronting this threat," says Tom Malinowski, Washington director of Human Rights Watch. "They have a choice to make. Are they going to be a country connected to the outside world, or are they going to allow a small number of people in their midst to make that impossible?"

At least Libya's President Mohamed el-Magariaf swiftly apologized to all Americans for the attack on the consulate and promised to hunt down those responsible: 24 hours after the attack on the embassy in Cairo, Egypt's President Mohamed Morsy had not issued a similar statement. When he finally did, he seemed less concerned with what had happened at the embassy and more with the affront to the Prophet, which he condemned "in the strongest terms." The Muslim Brotherhood, on its Twitter feed, condemned the Benghazi attack but made no mention of the one in Cairo.

The Egyptian government's almost insouciant response, hardly in keeping with the country's status as the second largest recipient of U.S. aid, will rankle both President Obama and his domestic critics. In the hours after the attacks in Cairo and Benghazi, Republicans piled on the President, questioning the wisdom of his outreach to Islamist political forces like the Brotherhood. Even political allies were moved to wonder whether Egypt could really be a reliable friend.

Morsy's silence has been interpreted by Egyptian analysts as a reluctance to prod the Salafists, whose help he may need to get anything done in parliament. But other political figures were equally pusillanimous. Nobel Peace Prize laureate Mohamed ElBaradei, a prominent



The Video A movie designed to provoke does

In a saner world, the trailer for *Innocence of Muslims* would get no response other than being seen as an example of terrible filmmaking. The 14-min. video, purporting to be excerpted from a movie propagandizing present-day Muslims and the life of Muhammad, is confoundingly awful, filled with incongruous accents, ludicrous dialogue and green screen so bad that the actors appear to be floating in the air. But we do not live in that saner world, and suddenly a risible piece of cinematic trolling posted to YouTube weeks ago has become deadly serious.

The movie was allegedly made by a real estate developer who calls Islam a "cancer," though reports swiftly cast the filmmaker's identity in doubt. It begins with a homemade-video-quality story involving attacks on Egyptian Christians by Muslims (many of them with thick New York accents), which are then tied to a version of Islam's creation that paints Muhammad as a depraved, unstable sadist. Played by an actor reminiscent of James, talented Ashton Kutcher, Muhammad sneers and snivels through a slanted retelling of the founding stories of Islam. At the trailer's end, he swings a bloody sword, his clothing seemingly stained with grape juice, and cries, "Every non-Muslim is an infidel! Their lands, their women, their children are our spoils! before being engulfed in a fireball." The cast and crew have released a statement disavowing knowledge of the film's intent and claiming references to Islam were dubbed in later.

The film is effective if you assume its sole purpose is to stir trouble, and it's hard to imagine another one. If it were actually meant to win over Westerners, its poor production and inscrutability would be crippling. If it were meant to persuade Muslims, it wouldn't be so transparently provoking. If only we were able to boggy it off and move on. Instead, we cringe at provocateurs and violent extremists each do their best to vindicate the other's worst beliefs. —JAMES PONIEWOZIK

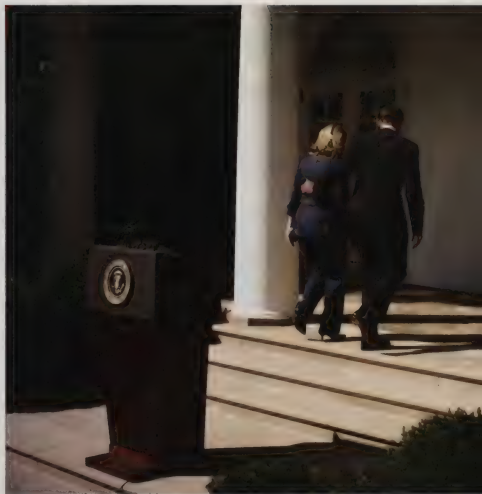
liberal secular leader, tweeted, "Humanity can only live in harmony when sacred beliefs and the prophets are respected." That kind of timidity empowers not only the Salafists but also instigators like Abdullah and his American counterparts.

For an understanding of what can happen when the industry of outrage is allowed to function without check, look at Pakistan, where hatemongers continually stoke anger not only against faraway foreigners but just as frequently—and with more deadly results—against their own people. Minorities like the Ahmadiyya sect are an easy target for extremist TV hosts like Aamir Liaquat Hussain, a former Minister of Religious Affairs. On his show broadcast by Geo TV in 2008, guest scholars declared the Ahmadiyyas "deserving to be murdered for blasphemy." Soon after, two members of the sect were killed. Hussain was forced to apologize and leave Geo but has since returned to the station.

Other Pakistani provocateurs target the Shi'ite community, which makes up 10% to 20% of the population. Militant groups with links to political parties as well as the country's all-powerful military are frequently behind violent attacks against Shi'ites. Criticism of such groups is often denounced by extremist preachers as blasphemy, which is punishable by death under Pakistani law.

When Salman Taseer, the governor of the country's largest province and an outspoken critic of the blasphemy law, was killed by his bodyguard last year, the murderer was declared a hero by many. Munir Ahmed Shakir, the influential imam of Karachi's giant Sultan Mosque, is just one of many who have pronounced as "non-Muslims" all those seeking to amend the blasphemy laws.

The new normal in Egypt and Libya is not as perilous as in Pakistan. Not yet. But as the fledgling democracies of the Middle East struggle to cope with the genies unleashed by the Arab Spring, you can count on the industry of outrage to work overtime to drag the Middle East in that direction. —WITH REPORTING BY ASHRAF KHALIL/CAIRO, JAHANZEB ASLAM/ISLAMABAD, ARYN BAKER/BEIRUT, VIVIENNE WALT/PARIS AND MASSIMO CALABRESI, MARK THOMPSON, ELIZABETH DIAS AND JAY NEWTON-SMALL/WASHINGTON ■



September Surprise

Romney's first response to the Libya attack was to attack Obama. Was that wise?

BY MICHAEL SCHERER



The mourning after
Having promised justice in Libya, Obama exits the Rose Garden with Hillary Clinton

claim that Barack Obama apologizes for American greatness to the news cycle. At 10:09 p.m. E.T., before the full death toll was known, the Romney campaign sent an embargoed e-mail to reporters. "I'm outraged by the attacks on American diplomatic missions in Libya and Egypt and by the death of an American consulate worker in Benghazi," Romney wrote. "It's disgraceful that the Obama Administration's first response was not to condemn attacks on our diplomatic missions, but to sympathize with those who waged the attacks."

In the hours that followed, the news got worse. The U.S. casualties in Libya grew to four, including the U.S. ambassador to Libya, J. Christopher Stevens. The White House made it clear that it had not approved the Cairo memo and condemned the events.

By Wednesday morning, stern condemnations from President Obama and Secretary of State Hillary Clinton calling for swift justice competed with a hastily called press conference by Romney to explain his late-night barb. "The statement that came from the Administration was a statement which is akin to apology," Romney said, standing his ground even as he acknowledged that the White House had neither authored nor defended the embassy press release. "I think [it] was a severe miscalculation," he said.

Presidential elections usually turn on big issues and broad trends, but sometimes it's the unexpected and unimaginable things that matter. What top Obama and Romney political strategists fear most in the final stretch of the 2012 campaign is the stuff they can't see coming—a terrorist attack, an economic crisis, a deadly weather event or a madman's rampage. No one could have predicted that an inflammatory attempt at moviemaking would imperil U.S. interests in the Arab world or lead to the murder of American diplomats. But when it happened, the contrast was striking, even if the full impact of the developing story remains unknown.

While Romney explained his political barbs Wednesday morning, Obama made

no mention of politics or his opponent in his statement following the attacks. From the Rose Garden, he spoke only of the dead, of his personal outrage, of the greatness of America's freedoms and his plan for a national response. "Make no mistake," Obama said. "We will work with the Libyan government to bring to justice the killers who attacked our people." Later that day, Obama took his shot in an interview with CBS. "Governor Romney seems to have a tendency to shoot first and aim later," he said.

Romney begins this chapter at a distinct disadvantage, already roughly 12 points behind Obama in polls that ask voters about foreign policy judgment. He is also fighting off criticism of his failure to mention the U.S. troops or Afghanistan in his Tampa convention speech. Indeed, the tangible policy differences between Romney and Obama have sometimes been hard to discern. Romney has knocked Obama for not being tougher on Iran but has yet to lay out major policy alternatives. Like Obama, Romney supports a transfer of control over Afghanistan to local forces by 2014, but unlike Obama, Romney says he will not call that time frame a fixed timetable. Romney criticized "mission creep and mission muddle" after Obama authorized a NATO bombing of Libya but then praised the killing of the nation's tyrant, Muammar Gaddafi. "It's about time," he said.

The early reviews of Romney's reaction to the embassy attacks were not glowing. Former New Hampshire Senator John E. Sununu, a Republican, told MSNBC that Romney "probably should have waited" to release the statement. Others were more critical. "It is a natural product of the election, but it is the worst possible reaction to what happened," said Anthony Cordesman, a pillar in the Republican foreign policy establishment who has advised Senator John McCain. "We need to be extremely cautious about rushing out and politicizing it."

In the final weeks of a campaign of this scale, there are very few moments that really count. But when they matter, they can reshape the race. A day that began with Romney calling for national unity before politics in the face of terrorism ended with just the opposite. Voters will now get to decide if the shift revealed Romney as a statesman displaying the courage of his convictions or a politician seeking advantage in a time of turmoil.

MITT ROMNEY BEGAN THE 2012 anniversary of Sept. 11 by calling for a suspension of politics. "There is a time and a place for that, but this day is not it," he said at a morning National Guard gathering in Reno, Nev.

Just hours later, Romney could no longer resist. Angered by YouTube clips of an offensive video that mocks the Prophet Muhammad, mobs had attacked diplomatic missions in Libya and Egypt. U.S. diplomats in Cairo, hoping to stem local furries, had issued a statement hours earlier: "The Embassy of the United States in Cairo condemns the continuing efforts by misguided individuals to hurt the religious feelings of Muslims—as we condemn efforts to offend believers of all religions."

Romney saw an opportunity to tie his

FORWARD

ROMNEY'S PLAN:

WORK FOR WELFARE

Mitt Romney and Bain Capital made millions for themselves and then closed this steel plant

ROMNEY'S PLAN:

WORK FOR WELFARE

In business, Mitt Romney's firms shipped jobs to Mexico.

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BarackObama.com/plan

APPROVED BY BARACK OBAMA. PHOTO BY TOMMY THOMAS FOR THE NEW YORK TIMES

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The New York Times, 1/1/10

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ROMNEY
THE DISINTEGRATOR

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MITT ROMNEY'S NOT THE SOLUTION
HE'S THE PROBLEM.

**PRESIDENT
OBAMA'S
AGENDA
PROMISED
SO MUCH.**

Tax havens
like Bermuda ...



NATION

Ad Nauseam

Romney and Obama are spending more money to woo fewer voters than at any time in memory. Will it make a difference?

BY MICHAEL CROWLEY

THE PRESIDENTIAL CAMPAIGN HAS CREATED A wonderful problem for television stations in swing states across America. How do they keep local businesses like car dealers and law firms from being shut out of the airwaves by the massive spending of the Obama and Romney campaigns and their super-PAC allies? "It's been a challenge, because the campaign has been bigger than what we forecast for this year," says Chuck DeVendra, sales director for WBNS, the CBS affiliate in Columbus, Ohio. "We've got to take care of our regular advertisers too. We want them to be successful." On the upside, the stations are making a killing, charging up to \$1,000 per second for a prime-time ad slot. From Cincinnati, Les Vann, vice president and general manager of WKRC, agrees: "If we have an October like I suspect we're going to have, it will be a record."

It's a strange fact of modern politics that, even after revolutions in media and technology, campaigns are still fought out much as they were a generation ago: in thousands of 30-second increments on television. And September is the month when campaign advertising, already running at record-breaking levels, may melt your flat screen. Ad watchers estimate that the Obama and Romney campaigns and their super-PAC supporters

have dropped only about half the \$1.1 billion they're projected to spend by Election Day. An NBC News analysis finds that the candidates and their outside groups have spent \$575 million in just 12 states. That means the two camps could drop an additional \$600 million in the next two months lighting up TV screens with their boasts and body blows. "A deluge is coming," warns Steven Law, CEO of the Republican super PAC American Crossroads.

The only thing more astounding than all this spending is the uncertainty of campaign pros and political analysts over what difference all the money will make in the end. The hundreds of millions of dollars already spent has produced weeks of a virtual tie, with the only significant movement occurring after the nation focused on the parties' national conventions: Democrats threw the more energizing celebration, and Barack Obama went home from Charlotte with a small bounce in the polls.

But now the campaigns are like two armies fighting intensely over a few hundred yards of bombed-out terrain. Campaign pros estimate that a tiny 6% of the national electorate remains undecided about whom to vote for, and the raw number in the swing states could be a

few million. But while those voters may be persuadable, they could be getting their fill of persuasion as the campaigns drown them in nonstop advertising appeals that threaten to become a constant, grating presence, like a neighbor's endless home renovation.

But money still matters, and in the campaign's closing weeks it stands to benefit Mitt Romney the most. Obama has dumped about \$200 million on advertising so far, but Romney and the super PACs backing him are cranking up their firepower. "We will be outspent" by Election Day, concedes Obama campaign manager Jim Messina. "But our grassroots is how we win." Romney needs the help. With his opponent riding a small postconvention bounce and Republicans growing restless about their nominee's lack of progress, pummeling Obama on the airwaves may be Romney's best shot at victory.

The Battlefield

THE U.S. IS A BIG COUNTRY, BUT THE PRESIDENTIAL campaign is playing out across only a small slice of it. This mammoth ad blitz is mainly concentrated in about 15 key media markets in nine swing states like Florida, Ohio, Virginia and Colorado. That's an even narrower playing field than in recent years. The campaigns have gone dark in Pennsylvania, long considered up for grabs but now solidly blue. "Both sides clearly agree on the few places to spend," says Erika Franklin Fowler, director of the Wesleyan Media Project. "It's much more highly concentrated than in 2008," when Obama and John McCain mounted advertising campaigns in a half-dozen additional states. Fifty-five percent of the money spent to date has been spent in swing states, according to NBC's advertising analysis.

The playing field may be smaller, but the spending has come faster and earlier than ever before. A voter in Columbus saw as many political ads in July as she would have in September 2008, says Elizabeth Wilner, who tracks advertising for Campaign Media Analysis Group. The Obama campaign spent the summer blasting away at Romney's image while he restocked his coffers after an expensive primary fight. Meanwhile, well-funded GOP super PACs responded with assaults on Obama's management of the economy. "I don't know that there's been anything quite like this in the past," says Law. "There was much more substantial advertising in the late spring and early summer than before."

So far those two giant money machines have ground to one of the most expensive stalemates in history, although Obama has generally run a nose ahead of Romney in

polls. Yet no one dreams of scaling back the spending. "The amazing thing," says Scott Reed, who managed Bob Dole's 1996 White House campaign, "is that both sides are spending at this furious rate, and nothing's changed. So the feeling is that we have to keep spending or something will change."

And Romney has only begun to spend in earnest. A long primary battle depleted his campaign bank account, which Romney spent the spring and summer restocking—mostly with cash that Federal Election Commission regulations prevented him from spending until after his official nomination. "It cost us \$135 million to get the nomination. They got it for free," says Romney media strategist Stuart Stevens. "That's just how it is."

Now Romney has launched his counterattack. Even as hungover Democrats flew home from Charlotte, the Romney campaign was launching a major new ad blitz across 10 states. The ads hit Obama on economic issues tailored by state: sputtering housing markets in Florida, rising debt in Iowa, possible defense cuts in Virginia and Colorado, weak manufacturing in Ohio and so on.

The Obama campaign, meanwhile, is targeting voters differently. Obama has heavily relied on local cable- and satellite-television buys, allowing them to target demographic niches—the single women who watch OWN, perhaps, or the non-college-educated white men who watch ESPN. And while Democrats are sure to be outspent by Republican super PACs, the GOP's advantage is blunted by the fact that television stations must offer discounted advertising rates to the party nominees, while outside groups will pay rates that have been bid up to two or three times that price.

But how much is too much? Political professionals suspect all this advertising is overkill—and say privately they are playing a game of diminishing returns, at which millions of dollars are being wasted on deaf ears. "By the time we get into the fall," says Wilner, "it will be like the ground after a violent rainstorm: How much more water can the ground absorb?" Or as Fowler says, "Once you've hit 10,000 ads, 1,000 more isn't going to do a whole lot if your opponent will simply match them."

The Homestretch

ROMNEY IS ALREADY CURTAILING HIS TIME on the trail for long hours of debate prep at his Boston headquarters, where the part of Obama is being played by Ohio Senator (and vice-presidential short lister) Rob Portman. More than 60 million Americans are likely to tune in to the three pre-

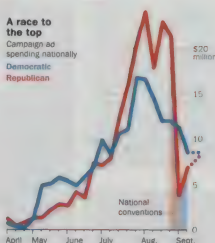
Cash on Hand. Five

Electoral-college snapshot

OBAMA 237 ROMNEY 191 TOSS-UP 110



A race to the top
Campaign ad spending nationally
Democratic
Republican



Source: Kantar Media's Campaign Media Analysis Group

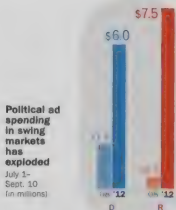
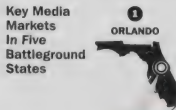
idential debates, offering the candidates even more exposure than at their summer party conventions.

The stakes for those debates are rising for Romney, who can hear fellow Republicans impatiently drumming their fingers at his inability to pull ahead of Obama. The *Wall Street Journal* grouches at Romney's lack of policy specifics, while others decry a play-it-safe campaign style. Fueling this backseat driving is a nagging sense that a nimble and more charismatic nominee could be soaring, not slogging, at a time of 8% unemployment.

Be patient, say Romney's advisers. Stevens expects undecided voters to break decisively against Obama on Election Day. To be sure, that's not what happened when an incumbent last fought political headwinds: fence sitters roughly split between George W. Bush and John Kerry in 2004. But 2012 could be different, because the undecided bloc is heavily white and male (those voters tend to be pro-Romney)

cities where it is raining political money

Key Media Markets In Five Battleground States



2
COLUMBUS



3
RICHMOND



4
DES MOINES



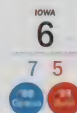
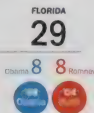
5
COLORADO SPRINGS



Election-college votes

Candidate visits
June 1–Sept. 11

Recent winners



and are more likely than most to see the nation as headed in the wrong direction—a traditionally reliable predictor of anti-incumbent voting. The fact that Obama has barely broken 50% in the polls, even after a winning convention in Charlotte, may suggest he has a ceiling of support that will prevent him from ever opening a decisive lead. "He has just not been acquiring new voters," Stevens tells *TIME*.

Obama actually outraised Romney in August, \$114 million to \$111.6 million. But Romney's war chest is thought to be much larger, and GOP super PACs like American Crossroads are sitting on many tens of millions more than their underfunded Democratic counterparts. Hoping to narrow that gap, Democrats recently enlisted former White House chief of staff and Chicago Mayor Rahm Emanuel to raise money for the pro-Obama super PAC Priorities USA, which has struggled to raise cash from liberal donors turned off by big money in politics. The idea fizzled almost

as quickly as it emerged. Democrats had hoped that Emanuel's stature (and sheer, profane force of will) might coax cash from reluctant megadonors like George Soros and Oprah Winfrey. But there were questions about the propriety of a big-city mayor's gathering multimillion-dollar checks on his party's behalf, and when Chicago's teachers went on strike, Emanuel shelved his new role—perhaps with some relief—before he'd even assumed it.

One consolation for Democrats is that early money buys more than advertising after the leaves have turned. For one thing, some voters will start to cast their ballots, with millions more to come in the next few weeks. Campaign sources think more than one-third of the electorate will vote early—as much as 36% of voters, compared with 31% in 2008—which is another reason the campaigns are blasting televisions about as hard in September as they will in October. "This is not 1980," says Messina, referring to

Ronald Reagan's late come-from-behind victory. "By the third debate, a majority of people in Colorado and Florida will have voted."

And some campaign officials say that by mid-October, advertising will grow less important. Inundated voters are likely to be jaded and tired of advertising and hungry for unscripted moments that reveal the true nature of the candidates. "What happens in almost any election is that the performances of the candidates themselves transcends their own advertising," says Law, citing the debates, campaign appearances and media coverage as focal points for voters as they start "trying to get a feel for the person." Go figure: after more than a billion dollars of campaign propaganda has flooded through our cable wires, it may be that the decisive factor in November is something money can't buy.

—WITH REPORTING BY ALEX ALTMAN, MICHAEL SCHERER AND ALEX ROGERS/WASHINGTON.

WORLD

One Nation Under Sanctions

The big economic squeeze is taking its toll on Iran. But is it enough to change Tehran's mind on nukes?

BY JAY NEWTON-SMALL, TEHRAN





انجمن اسلامی صنف قماش بازار تهران

ایستگاه
مترو خیابان

پی مایک

Commercial complex Tehran's bazaar is a center for wholesalers, middlemen, importers and retailers—and also business sentiment

Photographs by Newsha Tavakolian for TIME

ON TEHRAN'S WESTERN OUTSKIRTS is Iran's first and only wholesale supermarket—a kind of Persian Walmart-Costco hybrid. Women push giant carts around on gleaming white floors, past rows of the latest Apple computers and Sony flat-screen televisions—perhaps contraband, perhaps fakes. They sift through racks stuffed with designer clothes and stock up on everything from Norwegian salmon to Old Spice cologne. Except for the chadors, this could be any suburb in the U.S.

Can this be the capital of a country suffering under the toughest sanctions in modern history? Shelves are stocked with everything from Crocs to Louis Vuitton bags. Construction is everywhere. Restaurants are packed. Even Tehran's slums boast crops of satellite dishes and newer-model cars. "What did you expect?" asked one clearly prosperous store manager with a laugh. "Osama bin Laden at the airport with a shotgun?"

But the prosperity is largely an illusion. Ever since President Barack Obama's overtures for direct diplomacy with Iran were rebuffed, the Administration has succeeded in persuading its European and Asian allies to go along with severe sanctions aimed at forcing Iran back to the negotiating table. The results have been dramatic. Iran's currency has been devalued by more than 50%, and by U.S. estimates, Iranian oil exports have decreased by 45%. Some economists believe Iran is suffering from an annual inflation rate above 50%, double the Iranian government's estimate. U.S. officials are quick to claim credit. David Cohen, the Under Secretary at the Treasury Department responsible for squeezing Iran, says that "there are reverberations through the Iranian economy as we have broadened and intensified the sanctions."

Iran's ability to maintain the appearance of economic health may help determine whether there will be a new and destabilizing war in the Middle East. Iran is a decade into a determined effort to become a nuclear power. If U.S. sanctions don't force Iran's leaders to comply with international demands to prove their program is peaceful, Israel has said it will take military action to destroy it. As Tehranis go about their lives, their government shows no signs of backing down. A

Unauthorized dealer Despite U.S. sanctions, Apple products—or things that look like them—are available at this computer center in Tehran

report in August from the International Atomic Energy Agency (IAEA) found that Iran has doubled its uranium refinement at an underground facility near Fordow, a virtually bombproof site that Western powers have insisted Iran shut down as part of a deal to end sanctions. International diplomacy has stalled. And politicians in Israel are openly debating bombing Iran's nuclear sites, possibly even before the U.S. presidential election in early November.

What I saw on a rare six-day trip to Iran suggests that sanctions are biting. The country has all but stopped issuing credible economic data in order to hide the depth of the distress. Everyone from the butcher to the industrialist will say that beneath the surface they are months from economic collapse. But even economic catastrophe may not be enough to stop Tehran's ruling mullahs from going nuclear.

IRAN'S RESILIENCE IN THE FACE OF SANCTIONS is partly a result of clever politics. In 2010, President Mahmoud Ahmadinejad pushed through reforms that did away with energy subsidies for businesses and redirected that money to the people. Now every month, every man, woman and child gets a check for roughly \$25 thanks to Iranian oil revenue. This has helped insulate the poor from the effects of the sanctions. For a father of a family of four who earns \$200 a month—the minimum wage in Iran—that check effectively increases his salary by 50%.

But inflation is eating away at that subsidy. A year ago, the government checks were worth \$50 a month, and by the end of the year they could be worth \$12—not much help when prices are spiking. When I landed at Imam Khomeini International Airport, the official exchange rate advertised there was 120,000 rials to the U.S. dollar; on the black market you get 225,000. Pistachio salesmen at the sprawling bazaar in southern Tehran have drawers 2 feet deep to store their cash: it takes a fistful of rials to buy a bag of nuts.

The price of chicken spiked in July

from 136,000 rials per lb. to more than 340,000, causing protests in towns across Iran. The government began to import frozen chickens from Turkey, and prices fell to 250,000 rials while I was there. In a poor neighborhood in southern Tehran called Piroozi, I met a woman named Azadeh haggling with her butcher. (All Iranian names in this story have been changed to protect sources and their families from retribution.) Azadeh used to buy twice as much meat for her family, but in the past two months she's been increasingly forced to substitute vegetables in her stews. The price of meat is three times what it was last year, she claims. "Inflation is very bad," Azadeh says, red hair peeking from beneath her headscarf. "But I can't stop eating meat."

Iranians who can afford it are fleeing the rial for gold coins called *Bahar Azadi*, or Spring of Freedom, which they stuff under their mattresses. Others have invested in the work of local painters and sculptors, creating an art-market bubble as investors seek havens for money that would otherwise lose value. Such sentiments have also fueled the construction boom, but Tehran can use only so many apartment buildings.





The numbers tell the tale of impending economic catastrophe in Iran

↓ 50%
Percentage that the currency has devalued

↓ 45%
Percentage that oil exports have decreased

↑ 50%
Annual rate of inflation in Iran

But if Ahmadinejad's reforms are losing value for everyday Iranians, their effect on businesses is becoming clearer. In Tehran, I met a man named Ali Reza, whose family owns a factory that produces industrial air filters. Eight years ago it had 40 employees and plans to expand to 100. "We used to import raw materials from the U.S., if you can believe that," says Ali Reza with a laugh. "Then it was the U.K. when sanctions made that impossible. Now we have to go to Dubai with suitcases of cash—they won't take anything else from us—hand them to a guy and hope he has what we need."

Ali Reza has cut his staff by half and would sell the company if he could. "Nobody is starting a business. Everything is frozen. If you own stocks or a company, you can't sell them. You're stuck. We're stuck." Every day, people knock at his door looking for work. "You see more and more people selling things in the streets. Every metro stop has them—toothpaste, umbrellas. And their voices are increasingly desperate."

And this is only the beginning. The harshest U.S. and E.U. sanctions just took effect in early July. These include an embargo on Iranian oil by the E.U. and U.S.

banking measures that have isolated Iran's financial sector from the global economy. Obama signed a fresh round of sanctions into law in August that have yet to be implemented, and the U.S. Congress is busy mulling yet more sanctions.

Credit no longer exists in Iran; only local debit cards are accepted. Shortages are kicking in. Women beg their friends traveling abroad to bring back Always menstrual pads and Tampax tampons, both of which have disappeared from stores. Many of the brand names gracing supermarket shelves are fakes (Iran doesn't respect international copyrights), so the Adidas T-shirts, Johnson's baby powder and Rolex watches are Chinese or Iranian knockoffs—and bad ones. Tehran used to export fruits and vegetables; now they are kept for local consumption.

Some bigger manufacturers are showing signs of stress, suggesting the sanctions are reducing Iran's industrial capacity. Renault and Peugeot both used to supply carmaker Iran Khodro with parts. They recently suspended shipments. Iran Khodro's production is down 40%, and the company laid off 950 workers in the spring.

If the U.S.-led sanctions are proving

painful for housewives and businesses, it's less clear what effect they're having on their intended targets: Iran's leaders and the nuclear program they are committed to defending. Treasury's Cohen says those effects are harder to see. "The purpose of our sanctions program is not to make it difficult to find a green Benetton sweater in the right size," he says. "You're not going to see on the street how hard it is to get steel for centrifuges or high-end electronics for their nuclear program. You're not going to see how hard it is to find sheet aluminum. But the sanctions are having a ripple effect across all these areas."

Meanwhile, trade has been forced into illegal routes, benefiting the Iranian Revolutionary Guards Corps, which runs the nuclear program and is widely believed to facilitate most of the smuggling into Iran. Washington has attempted to cut into the Revolutionary Guards' profits. The U.S. Treasury penalized two Iraqi banks for doing business with Iranian entities.

How long can Iran hold out? A year, maybe two, is the most common refrain from average Iranians. Many believe in Iran's right to nuclear power and even a nuclear weapon. "If Pakistan and India have them, if Israel has them, then why not us?" asks a woman named Dorri. That said, Dorri doesn't think a bomb is worth the sanctions. But like most other Iranians, she plans on doing nothing to protest her government's policy, no matter how bad the economy gets.

Iran's leaders insist their program is purely for energy and medical research, yet they continue to refuse U.N. inspectors access to their sites. The longer the stand-off drags on, the more bellicose Israeli rhetoric becomes. Prime Minister Benjamin Netanyahu has been heated about the U.S.'s setting clear "red lines" for action on Tehran's nuclear program. And the IAEA has called on Iran to allow inspectors into a military site at Parchin.

Meanwhile, in order to shop at that glossy supermarket in west Tehran, Dorri has already had to sell some of her gold jewelry. Luckily, she says, she has more. But at some point, Dorri will run out of gold, Azadeh won't be able to afford chicken, and Ali Reza's company will go under. Then there'll be no one left to buy the smuggled, glittering piles of merchandise at the supermarket.



Technology and austerity are making it less attractive to buy things. Welcome to the “sharing” economy

BY ROYA WOLVERSON





Gabriel Stempinski is the consummate renter. When he and his fiancée Shiva Goudarzi decided to move to Portland, Ore., this spring

after she got pregnant, Stempinski didn't even consider purchasing a home even though he thought home prices in Portland were a "sweet buy" and the couple planned on staying in the city indefinitely. Instead they found an upscale three-bedroom townhouse just outside the city center where they could live a "nonpermanent lifestyle" and "be world citizens." On their frequent trips abroad—the couple has traveled to 12 countries in the past year alone—they often forgo hotel stays in favor of rentals they find through online services like Airbnb. Their renting forays range from the sartorial—a \$400 Cynthia Vincent yellow dress rented for \$60 to wear to a friend's wedding in Shanghai—to the mundane. Over the past year, the couple has rented boats, cars, housekeepers, chefs, personal assistants to run errands, handymen, tools and electronics, all through online marketplaces where people rent and exchange idle goods and services they want on the fly. So enamored of the rental lifestyle is Stempinski, a self-employed executive consultant, that he even rents out himself—most recently to edit a research paper on marine mammals and to act in a promotional video through the online service TaskRabbit. "I don't necessarily need the money," says Stempinski, 31, who earns a six-figure salary from his consulting job. "It's more a way for me to meet new people and do something cool."

Renting in the U.S. used to be a humdrum affair. A few decades ago, the notion of renting brought to mind hard-up families scraping by on used appliances and dated furniture plucked from the nearest strip-mall Rent-A-Center.

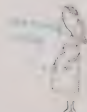
A fleshed-out American Dream—the home theater, the Whirlpool washing machine, the dual-subwoofer stereo—could be rented for a usurious price, but few considered the option glamorous or convenient. Instead, renting was an embarrassing admission that you hadn't made it yet. Chances are, if you were renting the nuts and bolts of your daily life, you were watching the dream slip away.

The transformation of American rental culture in recent years has turned that notion on its head. There are still many Americans for whom renting the basics is about making ends meet. But a shinier, more affluent cadre of renters has also emerged, and they are shifting mainstream thinking about the ideals of ownership and what we want out of the dollars we spend. For these renters, the philosophy is more about having it all—designer dresses, haute tech gadgets, modern art—than it is about hardship or frugality. Why own a BMW when you can rent one for a night out on the town? Why shell out for a diamond necklace when you can rent one for a black-tie event this week and another for the next event? Armed with iPhones and intent on a grander but lighter style of life, this new wave of spenders has come to see renting, rather than owning, as the surest path to achieving their dreams. The trend, still in its infancy, has been termed the "sharing" economy, one that gives us access to the stuff we want without our having to own it. In some ways, rentals offer what we need for a busier, more crowded world: environmentally friendly car-sharing schemes, cloud-based apps and software to maintain and upgrade myriad home gadgets (refrigerators that tell us when we need milk, thermostats that track our energy use, alarm systems that send us video of our home). We save money, and parts of the economy grow as these new sharing-oriented business models are created.

Yet in other ways, renting can cost us dearly. Younger consumers weaned on lifestyles their overspent parents couldn't actually afford have developed a penchant for luxury and instant gratification, even when their incomes don't support it. People are "using the rental economy as a form of leverage," says Michael Silverstein, an expert in consumer markets who studies spending patterns. "Our values and culture are pushing people toward consumption now instead of consumption later. You don't invest in things you want to keep because you're not building a nest. It's a major change in the U.S. economy."

The short-term consequences could be grim: for example, as more people pile into rental properties, rising prices could max out consumers' budgets, triggering a deflationary spiral not unlike Japan's lost decade. That would be an environment in which "ownership prices and rents are falling because people can't afford either," says Peter Atwater, a behavioral economist. If consumers recoil because of a steep fall in prices triggered by falling profits and incomes, the economy will slow and debt will rise. "People have held on as long as they could. Between food inflation and energy inflation, they're really being squeezed," says Atwater. "If I'm moving from buying to renting, that buys me time, but I can only rent for so long until the money runs out."

A rush into rentals isn't unusual during recessions. People tend to switch from buying to renting essentials like furniture, refrigerators and televisions when



Japanese
Weekend wrap
dress from Nine
for Nine maternity-
clothing rentals.
Rate per month:
\$23



Many funeral
homes rent
caskets with
removable
linings for pre-
cremation
viewing.
Rate per day:
\$700



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[illegible]

¹ *Public Storage Investment Institute, Inc.* (Public Storage)



Clothes call
Goudarzi, in a
Rent the Runway
dress, with
her fiancé

wallets are thin and credit is tight. So do corporations, which rely more on rented office space, temporary workers and rented machinery. Equipment rentals, led by construction and industrial equipment, outpaced U.S. economic growth by more than 3 to 1 last year, with stronger growth expected this year. Usually this is a temporary shift that lasts only until a recovery begins. But coming out of the Great Recession, there are signs that rentership is becoming more of a lifestyle choice.

Nowhere is that shift clearer than in housing. Home buying, once considered the gateway to stability, peaked at 69% after George W. Bush declared in 2004 that we were an "ownership society." Now baby boomers looking to downsize are trying to offload houses that are still 25% off their 2006 price peak, while young people, grappling with \$1 trillion in student debt, job insecurity and the notion that housing prices don't always go up, are hanging back. Some are camped out at Mom and Dad's; others are paying through the nose for apartments at frothy prices even though buying a home has never been more achievable. A study in March by the real estate site Trulia found that buying was less expensive than renting in 98 out of 100 major U.S. metropolitan real estate markets. Homeownership has fallen to a 15-year low of 65%, while home prices have remained relatively flat. Meanwhile, rental prices con-

tinue to rise across the country, up 5% from a year ago.

The migration to more-flexible living has seeped into all facets of life. The more we rent, the more we move and the more we value the ability to shed stuff. Overall geographic mobility has been declining for a couple of decades, but renters are nearly five times as likely to move as homeowners, according to recent U.S. Census data. Meanwhile, the fitters that come with living in a 2% economy, rather than the 3%-to-4% yearly growth of the past, have collided with massive advances in technology that make renting an integral part of our daily routine. We use Netflix to rent movies and Spotify to listen to music, we store piles of photos and files in the rented server space of the cloud, and we read rented e-books on Kindles. Silicon Valley is awash in start-ups that want to take Netflixization to the next level, granting us access to all kinds of things we don't want to hold on to but feel we can't live without. Revenue at BabyPlays.com, a toy-rental company, has doubled every year since 2010. Zipcar's membership grew 25% last year after expanding 55% a year earlier, and an estimated 4.4 million people in North America will belong to car-sharing services by 2016. More than \$500 million in seed money has been poured into the sharing economy.

Access, Not Ownership

TECHNOLOGY AND SCARCITY HAVE ALWAYS PLAYED A ROLE in the rise of rental industries. During the Industrial Revolution, emerging urban middle-class families moved from homes into hotels that allowed them to shed servants, whose wages were rising with the surge in manufacturing. The birth of cast-iron construction, which allowed architects to design vertically, gave rise to apartment houses. Car rentals took root in the early 1920s in response to a thriving rail industry that spread travelers across the country—and boomed in the '60s and '70s with the growth of air travel. Furniture, appliance and electronics rentals also scaled up around that time as consumer credit emerged and developers erected more apartment buildings in part to house women entering the workforce. But the market hovered around the credit-poor.

Any freedoms and privileges well-heeled Americans may have ascribed to the conveniences of renting—be it the occasional tuxedo or video game—pale in comparison with how they feel today, wedded to the notion that owning less offers more. A powerful piece of evidence can be found in the one type of product Americans are still eager to buy en masse: their digital devices. The devices themselves get smaller with every additional dollar spent on them, yet they empower their owners to rent more through apps and the social Web. "We've hit an inflection point where, because of advances in



BMW's DriveNow
car-sharing
program uses
an electric
compact coupe.
Rate per day:
\$90
plus \$39
activation fee

BETTER TO BUY
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Jason Gracilieri, far right, founder of TurningArt, an art-rental company



technology, we can pay for what we use when we want it and not when we don't," says Lisa Gansky, author of *The Mesh*, a book about shared consumption.

This new rental economy is made possible in large part because of the cloud. The vastness of cloud technology has both expanded our definition of renting and allowed us to rent more. Companies that have come to view owning tech assets—servers, databases and software—as burdensome now rent them from cloud-based service providers, which has dramatically lowered the cost of doing business for a lot of technology-based start-ups and spurred the rental economy.

The next wave in smart tech, for instance, is bundling cloud-based rentals. Uber, the app-based town-car rental business, synthesizes rented geolocation data from town-car drivers and passengers to deliver your late-night ride. Hipmunk, a travel site that evaluates the pain factor of air travel, offers a compilation of rented data from airlines and other travel databases. In health care, Cryoport's smart biomaterial transport canisters, which are rented by hospitals and labs, contain sensors that gauge temperature, and cloud-based services track location.

Like the consignment stores and overstock outlets that came before them, many of today's digital rental businesses thrive on ferreting out underused goods. Whereas in previous generations a neighbor's hammer or a piece of jewelry may have been shared, those informal exchanges have been supplanted by today's engines of access: the laptops and smart phones that allow us to scour the digital world in search of the physical. As more Netflix-like ventures—subscriptions modeled around the number of times an item can be used rather than the units sold—have moved into the cloud, more companies are realizing

the value of renting their wares. Music streaming services like Spotify will overtake digital downloads as the biggest growth engine for the music industry in 2012, according to Strategy Analytics. Home Depot says it will be making a "significant investment" in its rental business over the next several years to capture younger tool renters. Even as technology and shifts in business models have facilitated a rental economy, so has consumer sentiment.

One of the fundamental changes came, of course, after the housing crisis, when renting came to be seen as a shield against an unpredictable real estate market. Moody's Analytics estimates that the housing crisis wiped out \$4.3 trillion in owner-occupied-home values from 2007 to 2010. The typical American family, whose largest asset is their home, lost nearly 40% of their wealth over this period, according to the Federal Reserve. Now, even with home prices hovering nationally near a 10-year low, more people are choosing to rent than have in 15 years. The trend reflects banks' tightening lending standards, especially for home loans, as well as consumers' fearing for their financial future. "People just don't have the access to credit they had before, nor do they

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Toy story
Jason Weber
and his wife own
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have the nest-egg down payments for a lot of their big-ticket purchases, and that's getting worse with growing student-loan balances," says Atwater. You can see it in consumers' mood: the Bloomberg Consumer Comfort Index—a measure of Americans' perceptions of the economy, their personal finances and whether it's a good time to buy goods and services—which was already negative, has fallen 41.5 points since 2007.

Commitment Phobia

THE AGE OF AUSTERITY HAS COINCIDED WITH THE Facebook age, one that prioritizes impermanence and immediacy, which also breeds a renter mentality. "People used to only share photos physically or via e-mail. Now it's up to the minute. It's, 'Here's what I'm doing. Here's what I am,'" says Jason Dorsey, a generational researcher. "We now have less to spend, but we haven't lowered our expectations. We still want material things, fancy shiny things, and we want them now. That makes this idea of renting suddenly seem more urgent and doable." Camille Palmer, 32, a product engineer for Coach, who has rented six dresses over the past eight months from Rent the Runway, rents because it offers her more variety than she could afford by buying.

"I'm very aware of the way I look in my pictures on Facebook. I hate what I'm wearing in a picture from a party in July. But pictures went up from a wedding I attended a few weeks ago wearing Rent the Runway jewelry, and everyone online said I looked fantastic."

Younger consumers are also more educated, better traveled and more physically active, which heightens the appeal of spending precious dollars on new experiences rather than ownership of things, which seems very last century to many of them. As Stempinski puts it, the drudgery of buying a home and fixing it up "raises my blood pressure. It's just a big commitment to make at this point in life when you're seeing a lot less benefit."

Shedding possessions is a way of punting the risks associated with settling down. Yet a more mobile life, unshackled from the burdens of ownership, can actually be riskier than one with basic liabilities. Whether rich or poor, families with more assets—including car equity and home equity—suffer less financial hardship during negative events such as job losses or unexpected medical expenses, because they can borrow and bridge gaps in lost income, according to Signe-Mary McKernan, an economist at the Urban Institute. Research has found that the process of acquiring things we value also improves physical and mental health as well as the upbringing of children. Kids learn "the benefits of saving, compound interest and delayed gratification," says McKernan. By her estimates, young people who delay a home purchase by a decade lose roughly \$42,000 on average in savings for retirement by the time they are 55 to 64.

The broader economy also suffers when people own less. Construction and manufacturing have contracted with the decline in homeownership, since people who don't own their living space don't invest to maintain it. In the auto industry, each car shared through services like Zipcar removes nine to 13 cars from the road, according to Susan Shaheen, a transportation researcher at the University of California, Berkeley.

In home entertainment, new rental models that lower the costs of movie watching for consumers are cutting into studio profits. As more people consume movies online rather than by way of DVDs, revenue in the industry has declined. Online movie consumption, which grew 160-fold from 2007 to 2011, is expected to yield about \$2 billion for the entertainment industry in 2012, compared with \$10 billion from physical formats.

Still, it's possible that in some sectors, the sharing economy could spur overall economic growth. Netflix-like services that enable people to rent movies through the mail or via streaming have the potential to reach new consumers in rural areas or other parts of the country that can't support traditional brick-and-mortar DVD

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Quality or Quantity?

FOR ALL THE RENTAL BUSINESSES THAT HAVE CROPPED up to satisfy our luxury cravings—clothing, jewels, modern art—there are many others that speak to our higher values. More people are renting solar panels, cars, bikes, textbooks and kayaks. They are connecting to share garden space, baby clothes and creative media. And yet even as we yearn for community and a bigger stake in helping save the planet, we are churning through more physical stuff than ever before. It's a phenomenon sociologist Juliet Schor calls the materiality paradox: more consumers value fashion and novelty in everything they buy, and so they divest themselves of their purchases as soon as the luster fades.

What we choose to reject depends on the gaps in our consumer education. We have become "more sophisticated in certain zones and deteriorated in others," says Paco Underhill, a consumer researcher and the author of *How We Buy*. In the days when most households owned a sewing machine, there was a greater appreciation for apparel's construction. Mothers taught daughters to recognize a good stitch and know when a dress warranted a higher price. As auto quality has improved along with consumer safety, we hold on to cars longer and pay more to replace them. The average new car costs more than \$25,000, compared with less than \$21,000 in 1970, adjusted for inflation. Still, more goods than ever before are priced for disposability. The cost of replacing the battery in an iPod Shuffle is the same as the price to buy an entirely new device. "If you're manufacturing something in Guangdong and selling it in New York, it's tough for a company to offer cheap

and easy replacements of faulty parts," says Underhill.

The difficulties in maintaining electronics could ease with smarter technology. Refrigerators designed with sensor-driven software may soon send us text messages about what needs restocking. "If the lifespan of a refrigerator is 15 years and the software has a lifespan of two years, doesn't it make sense to lease my kitchen, and when the software needs upgrading I lease and replace the pieces?" says Underhill. A similar shift is under way in printing. Companies like Xerox and HP are transforming a hardware-based industry into the Net-flix of printing to eliminate the hassles of owning; by 2015, roughly half the corporate world will rent instead of own printers along with all their digital and physical accoutrements, according to the Photizo Group, an imaging-industry research consultancy.

The bottom line: there are rewards to reap from the rental economy, both economic and social, but they depend on how we use it. It's easy to envision a rental culture that recasts the value of ownership, empowering us to share more, waste less and cherish the things we do commit to own. It's also easy to imagine the world's landfills getting a lot bigger as our consumer consciences get smaller. "Everyone is seeking a better life. In a smarter world, we'd seek that out in just a few categories of consumption, not dozens of them," says consumer behavior researcher Silverstein.

Stempinski, who has no debt and plans to buy a home eventually, doesn't think too much about any of that. He simply believes that renting makes his life more affordable and enjoyable in the here and now. "I get to maintain a high standard of living on less money," he says. The rental lifestyle will leave him rich with experiences, even if poorer in retirement. ■



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The New Great Wall Of China

After years of relative openness, Beijing is pulling back on reform. Frustrated foreign companies say the field has tilted against them

BY MICHAEL SCHUMAN/BEIJING

At Beijing's 2010 Imported Auto Expo, carmakers get a chance to preen. Imports dominate the Chinese car market, but new policies make it harder for foreign automakers to enter or expand





This Beijing shopping mall caters to China's growing middle class. Foreign companies are angered by limits on their access to this increasingly important market

AFTER UNIFYING CHINA IN the 3rd century B.C., the first Emperor of the Qin dynasty turned his fearsome gaze to one of the Middle Kingdom's perennial problems: marauding nomads from the Central Asian steppes. The Qin began construction of a protective fortification stretching along the empire's northern frontier to keep its riches safe from the barbarians. The massive undertaking became known as the Great Wall of China, an iconic symbol of the country's technical prowess, monumental resources and, most of all, its attitude toward the outside world.

The Great Wall is now a fraying ribbon of decaying ruins, but the spirit behind it remains a determining factor in Chinese policymaking. Under hard-line communism, the Chinese economy was closed to foreign capitalists. That changed in the early 1980s with the free-market reforms that sparked the nation's economic miracle. A different sort of foreigner now faces a new Great Wall, one composed not of stone and earth but of regulations and restrictions, manned by an army of protective bureaucrats

and aimed at controlling access to the lucrative Chinese consumer market and tilting the playing field against international businesses. Some companies are even threatening to invest elsewhere. In a recent survey released by the European Union Chamber of Commerce in China, 42% of respondents said they believe government policies toward foreign companies are less fair than they were two years ago, and they don't expect the situation to improve: 43% say they expect discrimination against them to get worse over the next two years. They may not wait to find out: 22% said they were considering shifting new investment from China to other countries. "Companies are increasingly rethinking if they would put their money in China," says Joerg Wuttke, a Beijing-based adviser to the Organisation for Economic Co-operation and Development. "You look out the window of your car, and you see more roadblocks."

That's not good for China or the world. Despite its impressive growth, China desperately needs the jobs, expertise and technology that foreign companies bring. The U.S. and Europe,

still struggling to emerge from the 2008 financial crisis, are counting on China to absorb their exports and provide a critical boost to their economies. With so much at stake, Beijing's trading partners are becoming much more vocal about their discontent. "China has to address long-standing market-access barriers," Kevin Brady, chairman of the U.S. House Subcommittee on Trade, said in a speech in June. "We shouldn't hesitate to pursue our rights." European businesses, meanwhile, have urged their governments to present a united front toward China on market access. This tension will only deepen as Chinese companies extend their reach. If China expects open arms for its businesses abroad, it will be under increased pressure to offer the same at home.

Hitting the Brakes

A FOREIGN COMPANY'S EXPERIENCE OF China depends on the type of business it operates. Those in high-profile industries that the government considers crucial to China's future can often face the toughest bureaucratic resistance. Foreign carmakers have always faced stiff

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restrictions. They can build factories in China only in joint ventures with local partners, and in most cases that means the government, since the Chinese auto industry is dominated by state-owned enterprises. A carmaker then needs approval from Beijing just to increase production capacity. Despite these outdated restrictions—India, Indonesia and other major emerging markets allow foreign car companies to own 100% of their operations—those that jumped into the Chinese market early have built giant businesses. General Motors, for one, sold a record 2.5 million cars in China last year, making the American giant the No. 1 foreign automaker in the world's biggest car market.

However, companies that are now trying to enter the market, like Chrysler, may find a bumpier road. Apparently perturbed that foreign car companies dominate the local market, Chinese policymakers have tried to slow them down by making it more difficult to win the necessary approvals. Unable to get a green light for its proposed joint venture, Japan's Fuji Heavy Industries, the maker of Subaru cars, announced in May that it would put its plans for a Chinese production hub on hold indefinitely. "Things that were easy are less easy," says Michael Dunne, president of Hong Kong-based auto consultancy Dunne & Co. Foreign carmakers "have to work harder to get

'The line [in Beijing] is that the government had been pushed by foreigners to go too far too fast.'

—DEREK SCAISSORS,
A CHINA EXPERT AT THE
HERITAGE FOUNDATION

what they want. Free access is not part of the equation."

Since early 2011, the government has encouraged foreign carmakers to launch local Chinese brands if they want approval to increase production capacity. Many have complied. They may also have to pledge to manufacture electric or other eco-friendly vehicles to expand further, perhaps with a higher level of ownership of the critical technologies for their Chinese partners. With companies that are already thriving in the Chinese market, bureaucrats have become much more intrusive in their demands. Volkswagen, one of the largest foreign players

in China, announced in April that it would build a \$220 million factory in the far western region of Xinjiang. The move was billed as a head start in a promising new market, but industry sources say the German car giant came under pressure from the government to invest in the remote desert area as part of Beijing's plans to bolster development there.

In a written response to questions submitted by TIME, the National Development and Reform Commission (NDRC) stated that "China has no intention to slow down the development of foreign automobile producers in the Chinese market."

National Champions

TO BE FAIR, THE NEW GREAT WALL MAY simply be a reaction to years of remarkable openness. After Deng Xiaoping gave the world access to China in the early 1980s, restrictions on foreign companies were steadily reduced. That process accelerated after China joined the World Trade Organization in 2001, as Beijing welcomed companies bearing capital, jobs and technology. International firms responded by pouring more than \$710 billion in direct investment into the country, according to the U.N. Conference on Trade and Development. In recent years, China's national priorities have shifted: it has plenty of local capital and wants to build homegrown brands—"national champions"—and nurture its own high-tech industries. "The line [in Beijing] is that the government had been pushed by foreigners to go too far too fast" on liberalization, says Derek Scissors, an expert on China at the Heritage Foundation.

Beijing is pushing back. The current leadership, under President Hu Jintao, has proved retrograde on economic issues, expanding the power of state-owned enterprises and allowing reform to stall. "I don't think there have been commercially significant market-opening measures in the past five years," says Christian Murck, president of the American Chamber of Commerce (AmCham) in China.

Luxury brands like Prada have become a symbol of Beijing's growing confidence and wealth. Once eager to court foreign investors, China has plenty of local capital to fuel its growth



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WORLDWIDE PARTNER



Fast food dining has even reached Wuqi, a small city in northern China. International firms hoping to expand in China say red tape strangles their efforts

The consequence is that foreign businesses find themselves tangled in red tape while their local competitors speed ahead. Across industries, 68% of companies responding to an AmCham survey released in March said government licensing requirements are slowing their expansion in China, while a mere 22% believe licenses are given to foreign and Chinese companies on equal terms.

In the financial sector, multiple bureaucratic hurdles have already stymied progress. Despite an expanding network of branches, foreign banks command less than 2% of national banking assets, in part because of a complex and time-consuming regulatory process to gain government approval to open branches or launch new products. International insurance companies "continue to face barriers to market entry and expansion," according to an April report from AmCham in China, because local outfits "continue to enjoy regulatory favor... enabling them to benefit at the expense of foreign-invested insurers." The report notes that foreign insurers routinely face lengthy delays in receiving permits to open branches and other necessary

licenses. As a result, their market share has been steadily declining, to 3.1% in 2011 from 6% in 2004.

Small businesses aren't immune from the bureaucracy's hassles either. Claudia Mastiger, a Swiss entrepreneur, launched her first company in China, wine importer MQ Wines, in 2008. When she tried to open a chain of shops called Cheers to sell the wine, she found that the paperwork needed to start a firm had increased in volume and become more complicated. She even had to take an online exam on doing business in China—in Chinese. Customs regulations, she says, have been changing more erratically, making it extra time-consuming to get her product into the country. Of the 70 people she employs at her two firms, three manage affairs with the bureaucracy. "The biggest problems we have are always government-related," she says.

Foreign businesses complain of ill treatment at their own peril. Those that publicly criticize Chinese regulatory policies often become targets of vindictive officials. Retribution is so prevalent that Michael Punke, the U.S. ambassador

to the WTO, bluntly demanded that China stop punishing whistle-blowers in a speech last November. "China's trading partners have heard from their enterprises on too many occasions that Chinese regulatory authorities threaten to withhold necessary approvals or take other retaliatory actions against foreign enterprises if they speak out against problematic Chinese policies or are perceived as responding cooperatively to their governments' efforts to challenge them," he said.

The NDRC, in its written response to TIME, stressed that China "has always put using foreign investment as an important part of the basic national policy." The agency said it is "continuously improving the market system to provide a fair, stable and transparent investment environment to foreign investors" and insisted that "there is no case that the regulatory hurdles [for foreign businesses] have been increased."

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bigger problems. Just ask Wolfgang Jüssen. In 2009, Jüssen became CEO of a China-based joint venture between German wind-energy firm REpower (now a subsidiary of India's Suzlon) and a Chinese industrial company, hoping to sell advanced turbines in the fast-growing Chinese market. Beijing, however, targeted wind turbines for local development and found ways to favor Chinese manufacturers. The REpower venture, formed in 2006, had already jumped over one major hurdle—a law that required turbines acquired for new projects in China to have 70% of their components made locally. The law, which was later rescinded, forced REpower to build an extensive supply chain in China.

That effort, in the end, made little difference. Jüssen says he ran into a government procurement process rigged to promote local players. By making price the primary criterion for awarding bids on new, large wind-farm projects, the government eliminated foreign makers' advantage in quality and technology, favoring Chinese manufacturers that could offer lower prices because of bigger scale and other factors. The contracts often went to state-owned enterprises, which a 2011 AmCham report said "dominate the market by competing with below-cost bids made possible by generous government subsidies." REpower,

'I don't think there have been commercially significant market-opening measures in the past five years.'

—CHRISTIAN MURCK,
PRESIDENT OF THE
AMERICAN CHAMBER OF
COMMERCE IN CHINA

Jüssen says, was effectively shut out. By 2010, REpower's Chinese factory stopped producing turbines, and last year the firm decided to sell its stake in the Chinese venture. Jüssen departed in March. "They protected their own market," he says. "It is a state policy that they decided this is a strategic industry, we want to take control of our own market, and then we are going global."

Politically powerful state enter-

prises are a towering barrier to foreign business since many enjoy special protection from the government. In July, a WTO panel ruled that Chinese regulations violated its rules by forcing local-currency credit and debit cards issued in China to use the payment network of state-owned China Union-Pay, limiting the ability of Visa and MasterCard to expand into the market. Many state firms also receive extensive subsidies, from access to cheap land to ample, low-cost credit. Most of them "can never be outcompeted because they cannot go bankrupt," Scissors of the Heritage Foundation told a U.S. congressional committee in July. "A firm contemplating the Chinese market should find it daunting."

The Chinese view of the environment for foreign business is quite different. Policymakers have made it clear that they do not believe foreign firms face unfair restrictions on their activities in China. International companies "enjoy national treatment, and there is no so-called discrimination," Liu Weimin, spokesperson for the Foreign Ministry, said in June. "As a matter of fact, foreign companies have been treated favorably rather than unfairly for a long time. With Chinese companies growing stronger, foreign companies should adapt to the new situation of a level playing field with their Chinese counterparts."

Yet China's government needs to take foreign frustration seriously—for its own good. With wages rising rapidly and other emerging markets like Indonesia growing more appealing, China is facing stiffer competition for the world's capital. While foreign direct investment in China remains steady—it reached \$124 billion last year, up 8% from the year before—the barbarians at the gate may eventually move on. If the new Great Wall doesn't suffer the same fate as the old, it could end up blocking the riches China still needs. —WITH REPORTING BY CHENGCHENG JIANG AND AUSTIN RAMZY/BEIJING



A Beijing shopper confronts an array of locally made flat-screen TVs. Promoting homegrown brands has become a national priority

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Seeds of Change. How a small innovation put crop insurance within reach for poor farmers

BY STEPHAN FARIS

THE TIGRAY REGION IN THE ROCK-strewn highlands of northern Ethiopia isn't the type of place where you'd expect to find an innovative financial product. Its residents are mostly farmers, poor and vulnerable to crop failure resulting from persistent droughts. That's precisely why the region has been chosen to serve as a test range for a new kind of insurance that could help poor countries cope with climate change.

The idea is simple. Instead of relying on food aid to help farmers after drought has hit, aid agencies can sign them up for crop insurance before disaster strikes. When the rains fail, a farmer can use a crop-insurance payout to buy food without dipping into the assets needed for the next planting. "It allows you to smooth out your income," says David Waskow, director of the climate-change program at Oxfam America, which is coordinating the project. "Otherwise, you can fall off a cliff."

The project in Ethiopia is the latest step in the insurance industry's long fight to build a business case that accounts for global warming. Its efforts took on a new urgency after the 2004 and '05 hurricane seasons. By the time the waters had drained away, the in-

dustry found itself faced with claims for \$81 billion in insurance compensation, up from \$2.2 billion during the previous two years. "The world after Hurricane Katrina has been a different one," says Peter Hölpe, head of the Geo Risks Research division of the German reinsurer Munich Re. The surge in claims pushed insurers to account for more unpredictable weather, and premiums have risen in turn. As Andreas Spiegel, Swiss Re's senior climate-change adviser, puts it, "Insurance sets a price tag on climate change."

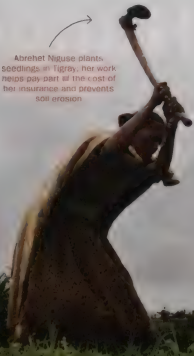
Fear of higher premiums can work as an incentive for change. Communities with robust flood control and tight

building codes, for example, would enjoy lower rates. That incentive won't work, however, in very poor countries, where even big cities lack basic public infrastructure and individuals are too poor to afford any kind of insurance, let alone expensive private crop insurance.

That's where Oxfam's experiment in Ethiopia comes in. Its crop-insurance program, which covers about 13,000 households, allows rich countries to pick up the tab for the damage their emissions cause. The premiums are paid by international donors via the World Food Programme. In exchange, the recipients are required to pitch in on public works that will help their communities cope with wilder weather: digging retention ponds, terracing fields, building dams. In Ethiopia, farmers work an average of two weeks a year to pay their share of the premium. A similar idea motivated the creation of a multinational insurance plan in the Caribbean, where 16 island states banded together in 2006 to take out insurance against hurricanes, with the premiums subsidized by donors.

There's a limit to what insurance can do. U.S. taxpayers spent \$9 billion last year to subsidize crop insurance—support that critics say encourages the use of poor land. If drought becomes a regular feature in northern Ethiopia, crop coverage could become nothing more than a Byzantine channel for sending more aid. "In some places, insurance simply no longer makes sense," says Hölpe. "In these cases, it would be better to look at other solutions." The best insurance—for every farmer—might simply be a cut in carbon emissions. ■

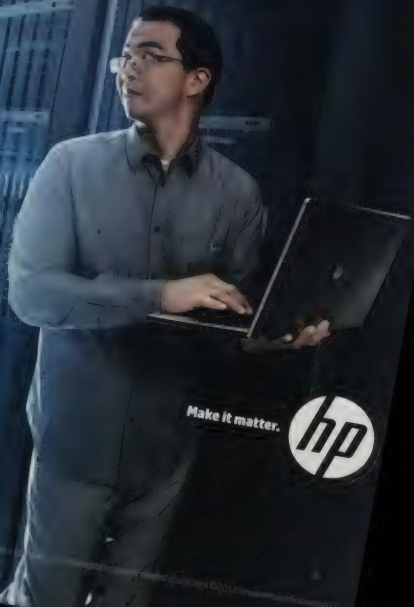
Abrehet Niguse plants seedlings in Tigray; her work helps pay part of the cost of the insurance and prevents soil erosion.



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Make it matter.



JetGreen. Airlines' need for cheap, plentiful biofuel is forcing the industry to scale up

BY TIM NEWCOMB

U.S. airlines
use 1.5 billion
gallons of fuel
annually

AT AN AUGUST MEETING IN WASHINGTON, 17 countries, including the U.S., reaffirmed the aviation industry's goal of achieving carbon-neutral growth by 2020. It was the most ambitious effort yet to address the issue of carbon emissions in air travel. To meet that goal, energy-efficient planes won't be enough. The industry will need new, cheaper sources of biofuel for jets and much more of it.

United Airlines displayed its commitment in November when it debuted its first commercial flight using biofuel, on a Continental-operated Boeing 737-800 from Houston to Chicago. "As a company using over 4 billion gallons of jet fuel per year, we are a leading consumer, and we are interested in getting the biofuel market off the ground," says Jimmy Samartzis, United's head of sustainability. "If they can produce it, we can use it. As long as it is cost-competitive."

Cost, not technology, is the rub. Biofuels have the potential to reduce the industry's carbon footprint by 80%, according to the International Air Transport Association, but that works only if the biofuel industry can scale up to commercial production and scale down prices. U.S. airlines guzzle 1.5 billion gal. of jet fuel annually—just shy of 10% of the U.S.'s total fossil-fuel use—at a cost of \$50 billion, or 25% to 35% of their operating costs. Switching to biofuels would increase jet-fuel costs substantially. When Alaska Airlines debuted its first commercial biofuel-powered flight late last year, it paid six times the cost of traditional jet fuel. United's biofuel was four times as costly.

While the major airlines may compete for passengers, they have a common interest in developing the biofuel industry: they share a fuel supply chain. The Federal Aviation Administration's acting administrator, Michael Huerta, notes that U.S. airlines purchase 90% of their fuel at only 40 airports. No matter what material is used to create jet biofuel—the camelina plant, lab-grown algae, cooking oil or other biofeedstock—the finished product has to be used in the



same 50-50 mix with petroleum-based fuel. That centralized infrastructure, Huerta says, "should lead aviation to be a first mover in the deployment of alternative fuels." He hopes the industry will have 1 billion gal. of sustainable fuel in use by 2018.

In the meantime, individual airlines are hammering out deals with promising biofuel producers. United, which spent \$10 billion in 2010 on jet fuel—30% of its operating costs—has an agreement guaranteeing a large order with Solazyme, a San Francisco manufacturer of algae-based jet biofuel, and it is negotiating contracts with other producers. Solazyme operates facilities in Peoria, Ill., and Moema, Brazil, and it expects to produce as much as 30 million gal. by late 2013. "We had to scale up to get costs down," says Jonathan Wolfson, Solazyme's CEO and founder. "Airlines really push their suppliers, and that is what guys like United have been doing. They aren't just sitting back and waiting for someone else. They understand their role."

Such deals may be the quickest way to achieve scale, says Suzanne Hunt, an aviation expert at the Carbon War Room, an advocacy group backed by Virgin Atlantic founder Richard Branson. When biofuel compa-

nies have a big customer in place, it's easier for them to secure investment to develop the products. Airlines, meanwhile, get an assured price even as biofuel demand increases. "Being the first brave flyer to buy technologies at the early stage, when [they are] expensive, is important, so [producers] can go to banks and say, 'We have demand for this,'" Hunt says.

Airlines aren't the only ones hoping to get biofuel on board. Boeing, for example, has become a major player, figuring that if it can help reduce fuel cost, airlines will have more cash to spend on—you guessed it—more aircraft. Billy Glover, vice president of environment and aviation policy at Boeing, says the company has invested in research on biofuel feedstocks around the world with the goal of replacing 1% of regular jet fuel with biofuel by 2015. Boeing also launched an ecoDemonstrator plane, which allows airlines to test out new biofuel sources. American Airlines participated in a test this summer and has plans for biofuel flights soon.

Planes running on plant-based fuel are great publicity for an industry trying to improve its green image. But airlines' demand for biofuel is real. Their bottom lines depend on it.

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LET'S KEEP THE LIGHTS ON WHEN SHE'S YOUR AGE.

What sort of world will this little girl grow up in? Many experts agree that it will be a considerably more energyhungry one. There are already seven billion people on our planet. And the forecast is that there will be around two billion more by 2050. So if we're going to keep the lights on for her, we will need to look at every possible energy source. At Shell we're exploring a broad mix of energies. We're making our fuels and lubricants more advanced and more efficient than before. With our partner in Brazil, we're also producing ethanol, a biofuel made from renewable sugar cane. And we're delivering natural gas to more countries than any other energy company. When used to generate electricity, natural gas emits around half the CO₂ of coal. Let's broaden the world's energy mix.



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The Culture

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Joaquin Phoenix as a
war veteran who drifts
into a job at Paul
Thomas Anderson's
The Master
PAGE 58



Pop Chart



MATRIMONY EDITION

GOOD WEEK/ BAD WEEK

Blake Lively and Ryan Reynolds

The duo, together since 2011, wed in South Carolina

Will Arnett and Amy Poehler

Comedy's golden couple split after nine years of marriage



CAN YOU SEE ME

NOW? Google Glass—the \$1,500 augmented-reality eyeglass frames that behave like smart phones (they can read texts aloud, record video and display directions)—made its runway debut at Diane von Furstenberg's show during New York Fashion Week. Models rocked the shades in white, coral and turquoise—hues that matched DVF's jewel-toned spring collection. For more fashion coverage, visit time.com/style.

QUICK TALK

Lecrae

"I'm blown away and humbled," says Lecrae Moore, the Houston-born rapper whose new album, *Gravity*, topped the iTunes charts this month despite its atypical (by modern hip-hop standards, at least) tracks about "helping the homeless" and "walking with Jesus." Here, the devout Protestant opens up to TIME. —TIM NEWCOMB

To many people, Christian hip-hop is an oxymoron. How do you respond to that? There is an oversaturation of masochistic, violent self-centeredness in music and life, and I want to provide an alternative perspective. I'm a Christian. Hip-hop is a culture. I can be a Christian within a culture, doing hip-hop music.

Which Bible verse has most

inspired you? Acts 20:24. I consider my life nothing. I just need to complete the race and finish the job God gave me. I'm here for his mission. **How has the mainstream hip-hop community reacted to you and your mission?** They understand I'm authentic. I'm not some rapper trying to cash in by calling myself a Christian. And I'm not some church boy trying to do rap music. It's nice to be embraced. **Speaking of which, Tim Tebow, Jeremy Lin and Bubba Watson have all given you public praise. What's ironic is that I'm closest with Bubba, but my golf game is not that good. What do you shoot?** Numbers ain't high enough, man. **Bubba's dabbled in music before. Any chance you'll collaborate?** Oh yeah, absolutely. I'm working on my golf game, and he's working on his rap game.



\$160,000

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ART

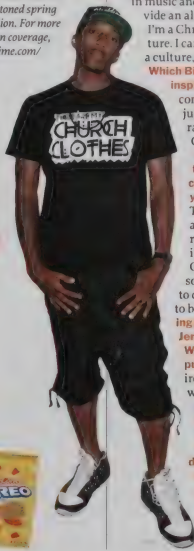
A Golden Gaffe

It's been called a monkey, a sloth and an abomination. But now the world's most infamous fresco—botched by an ad hoc restoration attempt—is drawing so many tourists, its Spanish hometown wants to scale back its re-restoration efforts. All hail Potato Jesus!



CANDY-CORN OREOS

In so, another attempt to become America's most buzzed-about snack—remember the rainbow Oreos concept for gay pride?—these limited-edition candy-corn-flavored cookies are fat-free. Warning: exciting at that photo might give you a sugar high.



Master Class

Joaquin Phoenix hits reset on his career, with brilliant results

By Jessica Winter

THE CONVENTIONAL WISDOM ON JOAQUIN Phoenix is that his devotion to his work is rivaled in its intensity only by his aversion to promoting it. For the world premiere of his new film, Paul Thomas Anderson's *The Master*, at the Venice Film Festival, Phoenix flinched from photographers on the red carpet and, at the movie's press conference, fidgeted, smoked and barely spoke. A week later, at the Toronto Film Festival, he skipped the press conference altogether. It could be argued that, in a meta-physical sense, Phoenix also skipped his infamous promotional engagement on *Late Show with David Letterman* in February 2009. "Joaquin, I'm sorry you couldn't be here tonight," Letterman said to his puffy, disoriented guest, who mumbled behind dark glasses and a heavy beard and at one point stuck his gum under Letterman's desk.

By all accounts, Phoenix, 37, values the element of surprise, so it's a delightful surprise when he sits down for an interview on the day of his Toronto no-show and performs wholly against press-tour type: open, congenial, totally engaged. He has made three films since concluding the yearlong performance-art project that reached its apotheosis on *Letterman*, recounted in the 2010 quasi-documentary *I'm Still Here* (directed by Phoenix's brother-in-law and fellow actor Casey Affleck), wherein a hapless, hirsute and drug-huffing version of Phoenix announces his retirement from acting in favor of a doomed attempt at a hip-hop career.

At the time, this gonzo stunt, with its shades of Andy Kaufman and Sacha Baron Cohen, had the markings of career suicide. For Phoenix, creative destruction was the point. "I'd just been acting too long, and it had kind of been ruined for me," he says. "I wanted to put myself in a situation

that would feel brand-new and hopefully inspire a new way of approaching acting."

There is much that feels brand-new about *The Master* (in wide release Sept. 21), Phoenix's first fiction feature in four years. In terms of structure, characterizations and narrative pay-offs, the film simply doesn't behave the way the viewer might expect it to. Set in 1950, the film has dual protagonists: Lancaster Dodd (Philip Seymour Hoffman), the proprietor of a Dianetics-like self-help philosophy known as the Cause, and Freddie Quell (Phoenix), a hooch-swilling, short-fused, sex-obsessed and profoundly damaged World War II veteran who winds up on Dodd's boat and becomes his unlikely test subject.

Writer-director Anderson (*Boogie Nights*, *Magnolia*, *There Will Be Blood*) has acknowledged Scientology founder L. Ron Hubbard as a point of inspiration for Dodd, who is known to his acolytes as Master; the Cause's affinities with Scientology include belief in past-life trauma, deep-dive auditing sessions (which the film calls "processing") and a trillion-year cosmology. But *The Master* is less interested in unpacking the dynamics of cult psychology than in the strange, platonic love affair between Master, the self-styled prophet from a future Enlightenment, and Freddie, a mangled man-child who is both Master's most loyal follower and his possible undoing. Gaunt and stooped, sweet and savage, forever squinting at some realization just beyond his powers of recognition, Freddie is the stuff of a full body dramatic immersion—Phoenix's performance is almost frightening in its intensity and vulnerability. It's hard to imagine a more triumphant return to the fold.

To conjure this casualty of the Greatest Generation, Phoenix studied

READ TIME'S
INTERVIEW WITH
JOAQUIN PHOENIX
AT time.com/phoenix



Let *There Be Light* (1946), John Huston's documentary about traumatized World War II veterans, and Lionel Rogosin's semiscripted *On the Bowery* (1956), which depicted severe alcoholism on Manhattan's Skid Row. He found his most pivotal inspirations, however, in the animal kingdom. "A stray dog that's skin and bones and has a limp and is wandering the streets—that's Freddie," Phoenix says. "The key was thinking about him as an animal, just pure id."

This key is turned to spectacular effect when Freddie whips himself into a tornado of rage inside a jail cell. "If you've seen video of a deer or a bear that finds its way into suburbia and the cops have to tranquilize it, it seems as if the brain stops working. If they're cornered, they'll slam into walls, or one leg tries to go left while the other is going right," Phoenix says. "It's complete fear and chaos. They can't control themselves at all."

CHANNELING AN INJURED ANIMAL FOR the cameras day in and day out is uniquely draining, as Phoenix's co-star Amy Adams, who plays Dodd's wholesome but waspish wife, observed. "I felt a lot of empathy for him, because Freddie is a lot to take home with you—that kind of longing and pain," she says. "Although he would laugh at me for saying that." Adams also appears with Phoenix in Spike Jonze's forthcoming *Her*, in which Phoenix falls in love with the voice on his computer's operating system. (Phoenix has also wrapped James Gray's *Nightingale*, an Ellis Island period piece co-starring Marion Cotillard and Jeremy Renner.) "We play best friends in Spike's movie, so the way Joaquin's process works, we sort of became best friends in life," Adams says. Phoenix, she adds, "wants everything to be real."

"With Joa, it's 'Is that real or unreal or what is that?'" says James Mangold, director of the Johnny Cash biopic *Walk the Line* (2005), for which Phoenix received his second Oscar nomination. (His first was for the callow, sulfurous villain in 2000's *Gladiator*.) "The boundary between real life and acting is hard to find. Working with him day to day, you really feel for him, because he's either hitting it out of the park or struggling to find the ball. Another actor can be having a bad day, but he can reach into his bag of tricks and fake his way through. Joa can never fake his way through."



Case in point: the *Walk the Line* scene in which Cash, ravaged by alcoholism and prescription-med addiction and rejected by June Carter, trashes his dressing room. Filming in a Memphis public school, Phoenix was asked to smash a guitar, pop a pill, drink a beer and sit down. "We start rolling," Mangold recalls, "and Joa smashes the guitar to smithereens, grabs the sink in both hands and pulls it off the wall, water spraying everywhere, then pops his pill and drinks his beer and sits down. Camera operator and focus puller stayed with him the whole time. There's no question of doing another take—which was fine, this one was perfect—because he ripped the f---ing sink out of the wall. Not a movie sink. A real sink."

This story may help explain why it's been a while since you've seen a Joaquin Phoenix movie. "If you're bringing that much physical and emotional intensity to a part, you can't just line up four pictures a year," Mangold says. "If Joa has seemed ambivalent about acting at times, I think it's because it's just so taxing."

'If you're bringing that much intensity to a part, you can't just line up four pictures a year.'

DIRECTOR JAMES MANGOLD

Gotta serve somebody Hoffman, right, plays the founder of a Scientology-like cult, while Phoenix portrays his loyal but often unhinged follower

PHOENIX'S EARLY LIFE, LIKE HIS ACTING, was marked by adventure, improvisation and a total lack of a safety net. He was born in Puerto Rico in 1974, the third of five children of Arlyn and John Bottom, who were missionaries for the hippie cult Children of God. After transferring to Caracas, his parents broke ties with the cult and faced crushing poverty. "We stayed in a tiny room off a tiny house where my parents took care of this woman and she allowed us to live there in return," Phoenix says. "At a moment of real desperation—because we were straight-up dirt poor, we had nothing—we went into the woman's house to take food, and she caught us." He shudders at the memory. "I remember that fear so well, that terror, because we loved her. She was the only person looking out for us—we would have been homeless without her."

The family eventually stowed away on a cargo ship to Florida and later relocated yet again, to Los Angeles. They took on a new surname, Phoenix, to signify their new start. Arlyn Phoenix found a secretarial job at NBC and sought out auditions for her older children, who were already seasoned street performers. River, the eldest, booked a swath of commercials and TV appearances, which led

to movie roles; one of Joaquin's earliest gigs, at age 9, was playing River's younger brother in an ABC *Afterschool Special*.

Phoenix loved being a child actor. "On the first job I ever did, there was a fight scene. I was 8, and though I knew it wasn't real and they were actors, I was emotionally affected by it. I felt the adrenaline race through my body. There are kids who get on a BMX bike when they're 8 and they go, 'Whoa, this is incredible,' and grow up to do extreme sports. It's the same for me with acting."

Yet, after playing Dianne Wiest's puberty-addled son in Ron Howard's *Parenthood* (1989), Phoenix withdrew from acting for most of his teens. He spent part of that time living with his father and sisters in Oaxaca, Mexico. "It was an incredibly idyllic experience, waking up every day at sunrise and catching a horse bareback," he says. "I built thatched huts on a farm with other kids my age, and later I worked in a bar. There were natives, Americans, Italians, all different cultures living together. Some of my friends in the States were experiencing a lot of fear and conflict with their parents as teenagers, and that just didn't exist down there."

Back in the U.S., he began acting again, breaking out at age 20 as the stoner henchman to Nicole Kidman's perky sociopath in Gus Van Sant's black comedy *To Die For* (1995). Van Sant had also directed River as a lovesick gay hustler in *My Own Private Idaho* (1991)—the fragile pinnacle of a brief and brilliant acting career.

River Phoenix, who earned an Oscar nomination at age 18 and died of a drug overdose five years later in 1993, is a secular saint of Generation X popular culture, a romantic icon of lost potential. His younger brother's *I'm Still Here* period raised the same specter of wasted promise, especially for those onlookers who weren't in on the joke. But to watch the film today, knowing that Phoenix is now doing the best work of his career, it's much easier to see *I'm Still Here*—indifferently received on its release—as a mordant, sometimes explosively funny riff on the Celebrity Entitlement Complex, anchored by a recklessly committed provocateur. Affleck, whom Phoenix met on the set of *To Die For*, has said the film is a work of performance art. Phoenix simply calls it a comedy.

"We thought, what if we could do the hardest-core version of *Curb Your*

Keeping It Real. Like the actor himself, Phoenix's movies blur the line between art and life



TO DIE FOR (1995)

Phoenix played a teen burnout seduced into murder in this acid comedy loosely based on the Pamela Smart case



WALK THE LINE (2005)

For the biopic drawn from Johnny Cash's memoirs, Phoenix did so much voice training that his range significantly deepened



I'M STILL HERE (2010)

In this deadpan mockumentary, Phoenix's druggily alter ego JP retires from acting to attempt a hip-hop career



THE MASTER (2012)

Phoenix's troubled war veteran enters the fold of a guru who strongly evokes Scientology founder L. Ron Hubbard

Enthusiasm?" Phoenix says. "*Seinfeld*, *The Sarah Silverman Program*, *Curb Your Enthusiasm*—everybody plays themselves. I mean, *Ellen* was called *Ellen*. But it's not them; it's a distorted version of them." Celebrity reality shows were also a touch stone, particularly *Celebrity Rehab*. "It's so obvious that it's manipulated and such total bulls—, and yet there's something so terribly exciting about that, so dangerous and ugly and scary and fantastic!"

Phoenix went to elaborate lengths to achieve the very thing that celebrities employ armies of agents, publicists and stylists to avoid: making himself look stupid. "Once I became a total buffoon, it was so liberating," he says. "Part of why I was frustrated with acting was because I took it so seriously. I want it to be so good that I get in my own way. It's like love: when you fall in love, you're not yourself anymore. You lose control of being natural and showing the beautiful parts of yourself, and all somebody recognizes is this"—Phoenix bugs out his eyes, lets his jaw go slack and reaches his hands out in supplication—"total desperation. And that's very unattractive."

FREDDIE QUELL IS NOT THE WORK OF AN actor desperate to be loved. He's too catastrophically unsuited to a conventional redemptive arc. Freddie is a true misfit—not a cuddly Hollywood movie misfit but someone we'd turn away from in real life, afraid that his off-ness might contaminate us. "Freddie has these brief moments when he sees himself as what he is, as others see him, and it's terrifying to him," Phoenix says. "He feels a real remorse for what he is."

Yet Phoenix does not refer to *The Master* as a tragedy or even a drama. "I thought it was a comedy. I laughed the entire time I was watching it," he says. "I think discomfort is funny—partly because I experience discomfort a lot, and it's a way of laughing at it and getting a release."

That discomfort is essential to Phoenix's uncompromising discipline, which is ferocious enough to sometimes appear as its opposite. Freddie can conform to no Cause, but Phoenix has recommitted to his. Making *The Master*, he says, "Paul called me Bubbles on the set. Bubbles was Michael Jackson's pet monkey, and I was Paul's pet monkey." And that was O.K. with you, Joaquin? "I didn't mind it at all. I love having a master."

Books

Cheat Sheets. Junot Díaz offers a piercing look through a wandering eye

By Jessica Winter

THE TITLE OF JUNOT DÍAZ'S SECOND story collection is *This Is How You Lose Her*, and for the most part, *This* is sleeping with someone who isn't *Her*. Or multiple someones. Or providing evidence of these multiple someones via unattended e-mail accounts or journal entries. Or, maybe worst of all, dismissing the evidence in those journal entries as mere speculative fiction, as the narrator of the title story attempts to do: "Then you look at her and smile a smile your dissembling face will remember until the day you die. Baby, you say, baby, this is part of my novel."

The *You in This Is How You Lose Her* is Yunior, who was also the central figure of *Drown* (1999), Díaz's acclaimed debut collection, and is eventually revealed as the narrator of *The Brief Wondrous Life of Oscar Wao* (2007), which riffed in slangy Spanglish, geeked out on science-fiction allusions and escaped into magic realism to render its tale of spells and curses, mother-daughter throwdowns, teen-nerd rites of passage and, overshadowing everything else, the ghastly dictatorship of Rafael Trujillo, who ruled Díaz's native Dominican Republic for 30 years. Formally audacious and completely addictive, *Oscar Wao* won the Pulitzer in 2008 and solidified Díaz's reputation as one of the unquestioned greats of his generation.

This Is How You Lose Her does not have the sweep and scope of its predecessor. But despite the reduced acreage, the biodiversity of Díaz's language is as rich as ever. The smaller scale makes for a more intimate book; it's not hard to believe that some of these stories appeared in embryonic form in a journal. (Baby, this is part of my story collection.) Díaz shares both his nickname and his Dominican-American identity with Yunior. Like his alter ego, he's a fiction writer and academic in the Boston area, his father left the family when he was young, his brother battled cancer, he suffered a bad breakup with his onetime fiancée some years back, and he's endured excruciating back problems in middle age. These parallels between char-

acter and creator are especially bold given that Yunior is a full-time cad, exhibiting a severe ADD of the libido with a mild case of pervasive shame. (If this book had a theme song, it would be a melancholy merengue version of Shaggy's "It Wasn't Me," set on the *Starship Enterprise*.) A lack of critical distance between author and protagonist occasionally muddles the language: in the closing story, "The Cheater's Guide to Love"—a wayward boyfriend's Stations of the Cross—a *mucho* macho aphorism like "Old sluts are the hardest habits to ditch" awkwardly coexists with embroidered-pillow truisms like "Sometimes a start is all we ever get."

Yunior's repetition compulsion is mirrored in the stories, and it deepens the impression of a character whose brain is worthy of a Ph.D. but whose pelvic

regions eagerly await social promotion to the seventh grade. It's a welcome switch-up when Díaz occasionally looks up from the latest notch on Yunior's bed-post to glimpse other places and times. In "Otravida, Otravez," he uses first person for a female laundry worker making hard daily compromises in her job, home and relationship; the stripped-down, matter-of-fact language is a confident departure.

And "Invierno" returns to childhood as Yunior and his brother, newly arrived in wintry New Jersey from Santo Domingo, come to terms not only with their sense of claustrophobic displacement but also with their father's gradual fade-out. In the final scene, members of the shrunken family wander down to the landfill at the edge of their apartment complex, gazing over a landscape both infernal and uncannily peaceful: "Rubbish fires burned all over it like sores and the dump trucks and bulldozers slept quietly and reverently at its base." Surely most Díaz fans are hungry for his next *Wao*-ian feat of novel-writing, but for now, this is how he'll keep us. ■

All the Single Ladies. Díaz waxes poetic on the female form

"She has a long tender horse neck and a big Dominican ass that seems to exist in a fourth dimension beyond years. An ass that could drag the moon out of orbit." (From "Alma")

"She was Dominican, from here, and had super-long hair, like those Pentecostal girls, and a chest you wouldn't believe—I'm talking world class." ("Nilda")

This Is How You Lose Her Junot Díaz

Pulitzer Prize-winning author of *The Brief Wondrous Life of Oscar Wao*

"She's a Bergen line original: short with a big mouth and big hips and dark curly hair you could lose a hand in." ("The Sun, the Moon, the Stars")

"She's a big girl and got skin like you wouldn't believe and best of all she... actually seems nice." ("The Cheater's Guide to Love")

"Chick was just wry... every single fiber standing out in outlandish definition. [She] made Iggy Pop look chub, and every summer she caused a serious commotion at the pool." ("Miss Lora")

IS YOUR NEST EGG AS GLOBAL AS IT SHOULD BE?



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Food

Mother's Liquid Helper. Raising children? Raise a glass!

By Joel Stein

IT TOOK NEARLY A YEAR AFTER HAVING our son for my lovely wife Cassandra to get her body back to where it was before. It took nearly three years to get her drinking back to where it was before. For a while, she and her new mom friends met once a week at the playground to watch their kids and have cheese and wine. "Being a stay-at-home mom is isolating," she told me. "If you're chilling out with other moms, it's social. I guess we could have been meeting for tea, but that seems a lot more dorky and a lot less fun." I considered telling her that supervising a child should be more jolike than Studio 54-like. But that would mean she could start questioning every crucial two-hour work lunch I go to at high-end restaurants.

Moms drinking wine is now too normal to question. On Facebook the group Moms Who Need Wine has more than 640,000 subscribers. OMG I So Need a Glass of Wine or I'm Gonna Sell My Kids has 127,000. Stefanie Wilder-Taylor took mom drinking so far, through her blog and best sellers *Naptime Is the New Happy Hour* and *Sippy Cups Are Not for Chardonnay*, that she eventually had to admit she had a problem and quit. Last year, Clos LaChance wines asked a California court to declare that its MommyJuice line did not infringe on the trademark of rival wine Mommy's Time Out.

These are not the kinds of wines Cassandra would take to the playground, because while I might silently object to her drinking wine while watching our son, I'd get more upset about her drinking mediocre wine while watching our son. But if you're looking for American reds and whites at around \$10 per bottle, "they're perfectly nice," says Ray Isle, executive wine editor of *Food & Wine*. "It's not a wine I'd stick away in a cellar and age. But they're going for the opposite: you're supposed to drink it while your child is an infant."



Starting this month, one of the biggest American wineries is marketing directly to moms of young kids. Chateau Ste. Michelle in Washington has begun a Facebook campaign asking women to customize an equation to sum up what makes them want a glass. ("Me + a glass of wine = juice boxes + quiet time for 15 minutes = My Chateau.") The ads—tagline: "It's where you become you again"—will run in places women go when they're stressed out about taking care of their family, including *Food Network Magazine*, *parents.com* and Rachael Ray's website. The idea is that wine is the new Calgon bubble bath, or the new Valium.

Winemakers are marketing heavily to moms partly because a lot of women are moms, and wine is the female drink of choice: 52% of women pick it as their favorite alcoholic beverage, compared with 20% of men. (The numbers for beer are almost the exact inverse.) That's why Francis Ford Coppola Winery sells sparkling wine in a can with a straw attached—no lipstick smudges—and French and Italian wineries sell boxed wine in containers shaped like purses. It also explains why there is so much pinot grigio.

The push to sell wine to moms also reflects changes in how we view motherhood. A proliferating number of mommy blogs portray stay-at-home parenting as a gritty daily struggle. If a factory worker deserves a cold beer after a long day on the floor, then these women deserve their pinot grigio. Chateau Ste. Michelle's message to moms is that they can remain fun, chardonnay-swilling party girls in their off hours, which seems fair. I don't want Cassandra just to be a mom all the time. If that means she has to brown-bottle it at the park with some cheese and crackers, I'm O.K. with that. But personally I don't think I could have a bad enough day at work to touch something called MommyJuice. ■

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Tuned In



Check, Please. Fact-checking has been good news in 2012, but it's only a start

By James Poniewozik

THE 2012 ELECTION HAS NOT BEEN A great one for the facts, but it's been a banner year for the fact checkers. Outlets like PolitiFact and FactCheck.org have gained more visibility and old-media imitators than ever, with newspapers and TV news adding fact-check segments and awarding "Pants on Fires" and "Pinocchios" like state troopers writing tickets on Labor Day weekend.

Yet the traffic violations keep coming. Scads of fibs, exaggerations and misleading statements have been swept up in the dragnet: a super PAC ad implying that Mitt Romney was responsible for the cancer death of a laid-off worker's wife, a Republican claim that Barack Obama was ditching welfare work requirements, a charge by Senator Harry Reid that someone told him Romney hadn't paid taxes for years, a boatload of statements from Paul Ryan's vice-presidential acceptance speech.

It's a refreshing change from the old "he said, she said, who you gonna believe?" approach. But has it made our politics any more honest or ennobling? I'd like to tell you it has, but that would be a lie.

Ideally, more aggressive fact-checking

cops should lead to more honest politicking. But often campaigns don't just ignore fact checkers; they scoff. After being called out widely for the above-mentioned welfare canard, for instance, the Romney campaign, reportedly armed with polling that showed that the attack was working, stuck with it anyway. Said Romney pollster Neil Newhouse: "We're not going to let our campaign be dictated by fact checkers."

Sure, a campaign can be hurt by telling a bald-faced lie, even or especially a less-substantive one. Possibly the most embarrassing fact check of Ryan was when *Runner's World* magazine caught him shaving more than an hour off his marathon time—not a policy lie but, maybe more

If flat-out lies don't fly, there's the weasel word, the matter of interpretation, the conjecture, the lie of omission

damning, a sin against sportsmanship.


Mendacity is flexible, though. If flat-out lies don't fly, there's the weasel word, the matter of interpretation, the conjecture, the wild but irrefutable negative, the lie of omission. Reid's tax charge was total hearsay but, without Romney's returns, impossible to prove or disprove. And when Romney says he won't take *God* off our coins, he's not saying Obama wants to do that; he's just not *not* saying it.

So even the most conscientious fact checks can lead to stalemate, with one side claiming vindication and the other bias. Daniel Patrick Moynihan once said, "Everyone is entitled to his own opinion but not to his own facts." In fact-check lingo: only technically true! Sure, you can show me chapter and verse that my guy lied. But you can't stop me from answering that his statement was true "in a larger sense," that someone else lied worse one time—or hey, why are you in the tank for the other guy? Even *Runner's World* got called a lefty rag for exposing Ryan's marathon fib.

But maybe the biggest threat to fact-checking is when news outlets treat it as extra credit—a sidebar, a news analysis, a segment after the commercial break. Aren't facts part of reporting? For fact-checking to have a fighting chance, it needs to be prominent, integrated into the news and, whenever possible, immediate. Some newspapers have started calling out false claims in the lead story, not a box on page A20. Too often, though, the lie gets a prime-time slot and the truth gets a blog post the next day.

Next month Obama and Romney and their running mates will talk to tens of millions of Americans in the debates. Imagine if a network used the crawl at the bottom of the screen to fact-check them live: Pop-up veracity? Yes, live TV is tough, campaigns would scream bloody murder, and you can't expect every data point to be vetted at light speed. But surely if your Twitter feed can fact-check a speech as it happens, a team of producers—prepped with research on the attack lines the candidates have been giving for months—could catch some of the biggies while people are paying attention.

It may be a pipe dream. It might not fix politics. But, fact: it would be journalism. ■

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Joel Stein



Let Them Eat Cake

How many bake-sale brownies would it take to re-elect a President?

THE BEST PART OF BEING A JOURNALIST is that whenever someone asks me to contribute to a candidate, I tell them I'm not allowed to since it would compromise my objectivity. I have no idea if this is true. We're probably not supposed to eat and drink as much free stuff as I did at the Google party at the Democratic National Convention either, but that didn't stop me from washing down chocolate-covered bacon with gin fizzers or from mentioning in this column how much I love to use Google.

But when I drove down my street in Hollywood and passed dozens of people on the sidewalk next to a sign for a Barack Obama bake sale, I decided to stop. After going to both conventions, where even media rooms were sponsored by corporations, and reading about how Sheldon Adelson and his wife Miriam have contributed more than \$42 million so far to the Republicans, I thought a bake sale seemed ridiculously cute. These people think they can affect the presidential election with homemade cookies! They probably also think a strongly worded letter will get Iran to stop making nuclear weapons. These are people who have a real future at the U.N.

Tammy Massman-Johnson, who was manning the lemonade stand at the end of the driveway, said she organized 40 families from the local private school that her kids attend to bake for the event. "We can't afford to pay \$5,000 of our money, so we said, Let's raise it. It's the yeast we can do," she said. "You have to rise to the occasion." I wondered if people become Republicans just to avoid this kind of painful wordplay. The puns

continued on, table after table, on little signs next to each baked good. There were Romney's-a-Nut Balls and lollipops called Romney Suck(s)ers. There was even a plate of Legitimate gRape Linzer Tortes. I was shocked that they did this, considering there were so many kids around. Kids do not like linzer tortes.

The event might not pay for many ads in swing states, but the families said their other purpose was to teach their kids about the importance of political activism—a lesson that Sheldon Adelson's kids are learning about 42 million times better. You could tell the kids were excited, since they knew that at any moment Michelle Obama could come by, confiscate everything and put out a bunch of carrot sticks. Plus, even in Hollywood there was some opposition to all this Obama love. One of the Massman-Johnson kids got flipped off. Until I heard this, I had no idea there were such angry people in the Green Party.

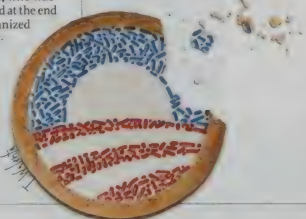
The families threw the same sale four years ago. As they did then, local Obama supporters happily paid too much for dessert items. Robert Ramsey, who wrote the movie *Intolerable Cruelty*, starring George Clooney, proudly told me he paid \$5 for

two mini-muffins. "They were gluten-free," he said. Ramsey is a man willing to suffer for his liberal beliefs. In fact, he told me he was committed enough to the President's re-election that he's volunteered to travel to a swing state to canvass for votes. I was very impressed until he told me the swing state was Nevada and he was going to Las Vegas. This was the most brilliant married-guy move I'd ever heard of. I was thinking about telling my lovely wife Cassandra that I was going to Vegas to work for equal wages for women, leaving off the part that those wages would be earned at Spearmint Rhino.

But the baked-goods scene wasn't as vibrant as it was four years ago, when they had a band playing '60s and '70s covers and a cookie purchase by Leonardo DiCaprio. "It had a more Woodstocky vibe last time," said Ramsey. "It was more of a thrill fest." In 2008, Tammy's husband Luke said he raised an amazing \$7,831 at the bake sale and spawned four copycat sales that raised a total of \$35,000. This year he raised only \$5,307. Sure, the Barack Barownies remain, but they taste a lot less inspiring and a lot more pragmatic. They might also have been disappointing because they're the only remaining brownies sold in Los Angeles without any marijuana in them.

I was ready to leave the bake sale untainted by the corruption of politics. But unfortunately I had brought my 3-year-old son Laszlo, and while he doesn't have strong feelings about this election, he has very strong feelings about dessert. So I had to buy him a blueberry muffin. I also bought a piece of chocolate chip pie, a brownie and a piece of toffee topped shortbread. It turns out that I too have very strong feelings about dessert.

In paying for these items, I indirectly gave \$8 to the Obama campaign, which, as a journalist, I realize is wrong. So to make up for it, I'd like to buy \$8 worth of pro-Romney baked goods, which I'm assuming don't exist. That's why I'm also willing to invest \$8 in a pro-Romney hedge fund. You know where to find me.





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10 Questions

Lacking role models growing up, Wade says, he looked to *Knight Rider*



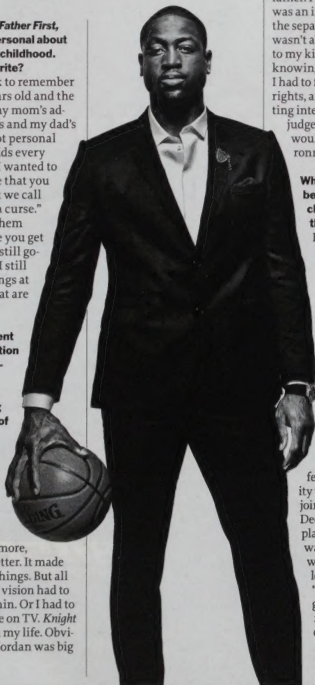
Miami Heat star **Dwyane Wade** on his Chicago childhood, *Knight Rider* and shooting hoops with Barack Obama

In your book, *A Father First*, you get quite personal about your harrowing childhood. Was it hard to write?

I had to go back to remember being 5, 6, 7 years old and the way I viewed my mom's addiction to drugs and my dad's strict ways. I got personal because I see kids every day like I was. I wanted to give them hope that you can break what we call "the generation curse." But also to let them know that once you get out, things are still going to happen. I still go through things at the age of 30 that are challenging.

One of the current issues in education theory is the importance of resilience. Did your upbringing give you a level of resilience that few people have?

I give a lot of credit to my upbringing in Chicago. It taught me to be tough, to want more, to want to be better. It made me appreciate things. But all my dreams and vision had to come from within. Or I had to go find someone on TV. *Knight Rider* was big in my life. Obviously, Michael Jordan was big in my life.



In the book, you detail your difficult divorce. Why the battle for full custody?

I've always wanted to be a father. I've always known it was an important role. When the separation happened, I wasn't able to see or even talk to my kids. I couldn't sleep not knowing where my kids were. I had to fight just for visitation rights, and even that was getting interfered with. The judge felt that the kids would be in a better environment living with me.

What's the difference between the first NBA championship and this one?

In the six years between, I went through so much. I had three surgeries. I went through the divorce, custody, lawsuits. So I enjoyed this one a bit more when that clock hit triple zeros.

What was it like dealing with all the swirl around LeBron James when he went to Miami?

I think [at first] we fed into all the negativity that came with him joining us, with "The Decision." We didn't play the game pure. We wanted to win for the wrong reasons. So I just looked at him and said, "I'm playing with a guy who's 6-ft. 8 and 2-something—he never says what his weight is—who's in the prime of his career." I told him, "I'm man

enough to understand that you are the best player in the world. I think we need you to assert yourself more." It was a very tough decision. Miami—we call it Wade County. But I had to take my ego out of it.

What was his answer to that?
MVP of the regular season and MVP of the finals. That was his answer to it.

How do you compare LeBron and Michael?

Both of these guys have talents you don't see every day. But LeBron James got a long way to go to catch up with Michael Jordan. He knows that more than anybody. But No. 6 ain't bad at all.

You just had your third knee surgery. How often do you play in pain?

People are like, "You make a lot of money. You hurting? So what?" It's professional sports. Everyone has to play with pain. It's very rare that you see someone that's too'ole. It's a part of sports. You do it because you love it and you know you can't play it forever.

You played basketball with the President. How is his game?

He was kind of like a point guard. He was passing a lot. He's smooth—like he talks, like he walks. He didn't shoot too much, but I passed it to him, and he hit the game-winning shot. That was cool.

So you have to dish off to him too, just like LeBron?

Hey, teamwork.

—RICHARD STENGEL

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